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Transcript Exhibit(s)

Docket #(s): W-01812A-15-0421

Arizona Corporation Commission

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Exhibit #: BWC-1; BWC-2; BWC-3, BWC-4, BWC 5

S-1-5

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2015 DEC 29 P 2:53

AZ CORP COMMISSION
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FENNEMORE CRAIG, P.C.
Patrick J. Black (No. 017141)
2394 E. Camelback Rd., Suite 600
Phoenix, Arizona 85016
Attorneys for Bermuda Water Company, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15- 0421

APPLICATION

Bermuda Water Company, Inc., an Arizona public service corporation, ("Bermuda") hereby applies for an order establishing the fair value of its plant and property used for the provision of public water utility service and, based on such finding, approving permanent rates and charges for utility service designed to produce a fair return thereon. In support thereof, Bermuda states as follows:

1. Bermuda is a public service corporation engaged in providing water utility service in portions of Mohave County, Arizona, pursuant to certificates of convenience and necessity granted by the Arizona Corporation Commission.¹ During the Test Year, Bermuda served approximately 7,360 residential customers and 479 commercial and industrial customers.

2. Bermuda's business office is located at 4544 Highway 95, Bull Head City

¹ Bermuda's initial CC&N was granted in Decision No. 33710 (February 26, 1962).

1 Arizona, 86426 and its telephone number is (928) 763-6676. Bermuda's primary
2 management contact is Wendolyn S.W. Barnett. Ms. Barnett is employed by Utilities,
3 Inc. as President for the Western Region, which includes Arizona and Nevada.

4 3. The persons responsible for overseeing and directing the conduct of this rate
5 application are Wendolyn Barnett and Bermuda's rate case specialist, Jason Martin. Ms.
6 Barnett's mailing address is 1240 E. State Street, Suite 115, Pahrump, Nevada 89048 and
7 her telephone number is (775) 727-5575; her telecopier number is (775) 727-7752 and her
8 e-mail address is WSBarnett@uiwater.com. Jason Martin's mailing address is 3670 Grant
9 Drive, Ste. 103, Reno NV 89509 and his telephone number is (775) 737-8033; his
10 telecopier number is (775) 727-7752 and his/her e-mail address is jmartin@uiwater.com

11 **All discovery, data requests and other requests for information concerning this**
12 **Application should be directed to Mr. Martin, including copies by e-mail, with a**
13 **copy to undersigned counsel for Bermuda, including by e-mail to pblack@fclaw.com.**

14 4. Bermuda's present rates and charges for utility service were approved by the
15 Commission in Decision No. 72892 (February 17, 2012) using a test year ending June 30,
16 2010.

17 5. Bermuda maintains that revenues from its utility operations are presently
18 inadequate to provide Bermuda a fair rate of return on the fair value of its utility plant and
19 property devoted to public water utility service, including significant increases in
20 Bermuda's water utility plant. Operating expenses have also increased since the last test
21 year. These changes since the test year in the prior rate proceeding have caused the
22 revenues produced by the current rates and charges for water utility service to become
23 inadequate to meet operating expenses and provide a reasonable rate of return for
24 Bermuda. Therefore, Bermuda requests that certain adjustments to its rates and charges
25 for utility service be approved by the Commission so that Bermuda may recover its
26 operating expenses and be given an opportunity to earn a just and reasonable rate of return

1 on the fair value of its property. Bermuda agrees to use its original cost rate base as its
2 fair value rate base in this proceeding to minimize disputes and reduce rate case expense.

3 6. Filed concurrently herewith are the schedules required pursuant to A.A.C.
4 R14-2-103. The test year utilized by Bermuda in connection with the preparation of such
5 schedules is the 12-month period that ended August 31, 2015. Bermuda requests that the
6 Commission utilize such test year in connection with this Application, with appropriate
7 adjustments to obtain a normal or more realistic relationship between revenues, expenses
8 and rate base during the period in which the rates established in this proceeding are in
9 effect.

10 7. During the test year, Bermuda's adjusted gross revenues were \$3,499,142.
11 The adjusted operating income was \$498,174, leading to an operating income deficiency
12 of \$502,165. The adjusted original cost rate base was \$10,003,394. Thus, the rate of
13 return during the test year was 4.98 percent.

14 8. Bermuda submits that the overall rate of return to Bermuda is too low to
15 allow it to pay reasonable dividends, maintain a sound credit rating, and/or enable
16 Bermuda to attract additional capital on reasonable and acceptable terms in order to
17 continue the investment in utility plant necessary to adequately serve customers.

18 9. Bermuda is requesting an increase in revenues equal to \$809,422,
19 representing an increase in revenues of 23.8 percent. The adjustments to Bermuda's rates
20 and charges that are proposed herein, when fully implemented, will produce a rate of
21 return on the fair value rate base equal to 10.0 percent.

22 10. Filed concurrently in support of this Application is the Direct Testimony of
23 Wendolyn S.W. Barnett, providing an overview of Bermuda and discussing Bermuda's
24 improvements since the last rate decision, attached hereto as Attachment 1. Also filed is
25 the Direct Testimony of Jason Martin that collectively provide an overview of Bermuda's
26 rate filing, discussion of the revenue requirement, including the "A" through "F"

1 schedules, and the "G" schedules, development of the rate base and income statement
2 adjustments, cost of equity capital and related issues, proposed rates, including the "H"
3 schedules, and discussion of the effects of the proposed rates on customers' bills. Jason
4 Martin's direct testimony is attached hereto as Attachment 2.

5 WHEREFORE, Bermuda requests the following relief:

6 A. That the Commission, upon proper notice and at the earliest possible time,
7 conduct a hearing in accordance with A.R.S. § 40-251 and determine the fair value of
8 Bermuda's utility plants and property devoted to providing water utility service;

9 B. Based upon such determination, that the Commission approve permanent
10 adjustments to the rates and charges for water utility service provided by Bermuda, as
11 proposed by Bermuda herein, or approve such other rates and charges as will produce a
12 just and reasonable rate of return on the fair value of Bermuda's utility plant and property;
13 and

14 C. That the Commission authorize such other and further relief as may be
15 appropriate to ensure that Bermuda has an opportunity to earn a just and reasonable return
16 on the fair value of their utility plant and property and as may otherwise be required under
17 Arizona law.

18 RESPECTFULLY SUBMITTED this 29th day of December, 2015.

19 FENNEMORE CRAIG, P.C.

20
21 By 

22 Patrick J. Mack
23 2394 E. Camelback Road
24 Suite 600
25 Phoenix, Arizona 85016
26 Attorneys for Bermuda Water Company,
Inc.

1 ORIGINAL and fifteen (15) copies of the
2 foregoing, together with the direct testimonies
3 and schedules supporting
4 this application, were delivered
5 this 29th day of December, 2015, to:

6 Docket Control
7 Arizona Corporation Commission
8 1200 W. Washington St.
9 Phoenix, AZ 85007

10 By:  _____

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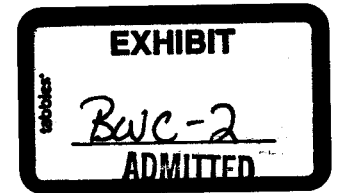
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1 FENNEMORE CRAIG, P.C.
2 Patrick J. Black (No. 017141)
3 2394 E. Camelback Rd., Suite 600
4 Phoenix, Arizona 85016
5 Attorneys for Bermuda Water Company, Inc.

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16 FOR UTILITY SERVICE BASED
17 THEREON.

DOCKET NO: W-01812A-15-

18 **DIRECT TESTIMONY OF**
19 **JASON A. MARTIN**
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1 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS
2 ADDRESS FOR THE RECORD.

3 A. My name is Jason A. Martin and I am the Financial Planning & Analysis (FP&A)
4 Manager for Bermuda Water Company and all other affiliates of Utilities Inc.
5 ("UI") in Arizona and Nevada. My business address is 3670 Grant Drive, Suite
6 103, Reno, Nevada 89509.

7 Q. WHAT IS YOUR PROFESSIONAL BACKGROUND?

8 A. I have been employed by Utilities, Inc. since July 2014. I graduated from the
9 University of Nevada, Reno with a Bachelor's Degree in General Studies (2006)
10 and a Master's Degree in Business Administration with an emphasis on Finance
11 (2010). From 2011 to 2014, I worked for Clearesult as a financial analyst, serving
12 as the program controller for NV Energy's Renewable Generations program. Prior
13 to that, I worked for eight years in the construction industry fulfilling duties as a
14 project manager, estimator and divisions manager. I have testified in rate case
15 proceedings for UI affiliates in Nevada.

16 Q. PLEASE EXPLAIN YOUR JOB RESPONSIBILITIES AT UTILITIES, INC.

17 A. I am responsible for the financial aspects of regulatory, planning, evaluation,
18 management and reporting for Bermuda Water Company and other UI affiliates in
19 Arizona and Nevada.

20 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

21 A. The purpose of my testimony is to sponsor the Application of Bermuda Water
22 Company ("Application") for an increase in its rates for water service provided to
23 its service area in Arizona.

24 Q. PLEASE DESCRIBE BERMUDA WATER COMPANY.

25 A. Bermuda Water Company ("Bermuda" or "Company") is a wholly owned
26

1 subsidiary of UI. Bermuda was incorporated for the purpose of owning and
2 operating a water utility system and, as of August 31, 2015, Bermuda serves
3 10,077 water equivalent residential customers (ERCs). Bermuda maintains an
4 operations office in Fort Mojave, AZ and a customer service office in Pahrump,
5 NV (although calls can also be answered by customer service representatives in
6 Altamonte Springs, FL or Charlotte, NC). Administrative functions such as
7 regulatory services, management, accounting, billing, human resources and data
8 processing are performed from the UI office in Northbrook, Illinois.

9 **Q. PLEASE DESCRIBE UI.**

10 **A.** UI is unique within the water and wastewater industry in many respects. From its
11 inception almost 45 years ago, UI has concentrated on the purchase, formation and
12 expansion of smaller water and/or wastewater utility systems. Often, these types of
13 systems have experienced operational or financial difficulties or a combination of
14 both. At the present time, UI has over 74 systems that provide service to
15 approximately 176,210 customers in 15 states. In 2014, UI restructured to provide
16 local management and decision-making. Wendolyn Barnett was named President
17 for UI companies in Arizona and Nevada, including Bermuda.

18 **Q. DO BERMUDA CUSTOMERS BENEFIT FROM THE COMPANY'S**
19 **AFFILIATION WITH UI?**

20 **A.** Yes. The affiliation with UI has many benefits for Bermuda customers. One of the
21 primary benefits is Bermuda's access to a large pool of human resources from
22 which to draw upon. There are experts in various critical areas, such as
23 construction, engineering, operations, accounting, data processing, billing,
24 regulation, customer service, and other fields. This combined expertise and level
25 of experience is not available in a more cost effective manner elsewhere.
26 Given UI's focus on water and wastewater systems only, its personnel have the

1 ability to meet the challenges of this rapidly changing industry. Because of this
2 focus, our companies enjoy some unique advantages, one of which is that capital is
3 available for improvements and expansion at a reasonable cost. With increasingly
4 more stringent health and environmental standards, ready access to capital will
5 prove vital to continued quality service in the water and sewer utility business.

6 In addition, the UI group of companies has national purchasing power which
7 results in lower costs to rate payers. Expenditures for insurance, vehicles,
8 chemicals, and meters are a few examples of purchases where national contracts
9 provide tangible benefits to rate-payers.

10 **Q. WHY IS BERMUDA REQUESTING RATE RELIEF IN ITS WATER**
11 **SYSTEM AT THIS TIME?**

12 **A.** Under present rates, Bermuda is not able to meet its operating costs and earn a
13 reasonable return on its investment in the Bermuda water system. Bermuda was
14 acquired by UI in June of 2000 and has requested rate relief just once under UI
15 ownership. As reflected in the Company's current application, which includes a
16 test year ending August 31, 2015, Bermuda's return on its equity was 4.83% after
17 known and measurable adjustments. Without satisfactory rate relief, Bermuda's
18 ability to continue to provide safe, reliable and efficient water utility service to its
19 customers will be placed in jeopardy, and Bermuda will be unable to meet its
20 financial obligations.

21 **Q. PLEASE DESCRIBE THE COMPANY'S APPLICATION.**

22 **A.** The Company's application consists of several schedules, split into sections which
23 are labeled alphabetically. The A schedules provide summary changes of financial
24 position and the final calculation of the revenue requirement. The B schedules
25 provide data on rate base before and after pro forma adjustments, while the C
26 schedules provide data on net income before and after pro forma adjustments. The

1 D schedules represent the Company's capital structure. The E schedules include
2 comparative statements and company operating statements. The F schedules
3 contain the Company's projected financial statements. The G schedules were not
4 completed because Bermuda did not prepare a cost of service study. Finally, the H
5 schedules provide information on consumption and usage patterns.

6 **Q. IS IT COMMON FOR UI NOT TO PREPARE A COST OF SERVICE**
7 **STUDY WHEN FILING RATE APPLICATIONS?**

8 A. For a system this size, we believe that a cost of service study is not an effective or
9 efficient use of Company resources. We chose not to submit a cost of service study
10 in the last rate application filed with the Commission, and we will not be
11 submitting a cost of service study or any testimony in support thereof in the current
12 application.

13 **Q. WOULD YOU PLEASE SUMMARIZE THE PROPOSED RATE CHANGES**
14 **IN THE COMPANY'S WATER RATE SCHEDULE?**

15 A. Schedule H-3 contains the Company's base and usage charges at present and
16 proposed rates, which are also stated below.

17 **Q. WERE THE FINANCIAL SCHEDULES IN THE APPLICATION**
18 **PREPARED BY YOU OR UNDER YOUR DIRECTION?**

19 A. Yes, the schedules attached to the Application were prepared by me and are
20 attached as schedules ranging from A to H, as discussed above.

21 **Q. WOULD YOU PLEASE PROVIDE A BRIEF EXPLANATION OF THE**
22 **PRO FORMA ADJUSTMENTS INCLUDED ON SCHEDULE B-2?**

23 A. Certainly. The adjustment reflected in Schedule B-2 is specific to a post-test year
24 analysis of our AIAC and CIAC accounts that occurred in October 2015. From that
25 analysis, it was discovered that some of the items in the AIAC account needed to
26 be transferred to CIAC and amortized accordingly. The adjustment in Schedule B-

1 2 represents the net-effect of transferring \$689,651 of AIAC to CIAC, as well as
2 the recognition of \$93,086 of accumulated amortization of CIAC.

3 **Q. WHAT PRO FORMA ADJUSTMENTS ARE REFLECTED ON SCHEDULE**
4 **C?**

5 **A.** Adjustments are detailed in the bullet points below.

- 6 • Adjustment #1 – Salaries, benefits, and payroll taxes have been adjusted
7 to accurately reflect the employee allocation percentages, and expected
8 ongoing expenses for Bermuda. All of these adjustments are allocated
9 on the basis of ERCs in the given systems in which the employee
10 provides service. For example, the salary, benefits, and payroll taxes
11 related to Ms. Barnett are allocated between both Nevada and Arizona
12 systems, since Ms. Barnett is the president for these five systems. In
13 addition, to more accurately reflect the expected ongoing expenses
14 related to personnel, the headcount numbers used were as of a post-test
15 year date of November 2015. That was done to reflect more current and
16 appropriate staffing levels of the company.
- 17 • Adjustment #2 – This adjustment reflects the annualization of
18 Depreciation and Amortization expenses based on the end of test year
19 balances in the various asset accounts, with some other adjustment to
20 various accounts to more accurately reflect the expected expenses. To
21 calculate the depreciation expense, the company applied the schedule of
22 depreciation rates, as agreed to in Exhibit A of Docket No. W-01812A-
23 10-0521. The adjustment to the Depreciation Expense-Water (Schedule
24 C-2, Line 24) is the result of the aforementioned annualization process.
25 The appropriate depreciation rates were applied to the various account
26 balances of the water asset accounts at the end of the test year to derive

1 the expected future depreciation expense. The most significant
2 adjustment reflected here is the recognition that a significant portion of
3 the computer accounts would be fully depreciated during 2016. The
4 Company, therefore, reduced the depreciable balances of the computer
5 accounts in the annualization work paper to more accurately portray the
6 amount of expected depreciation expense specific to those assets
7 (Schedule C-2, Line 26). The same process was followed for the
8 Depreciation Expense-Auto Trans account (Schedule C-2, Line 25).
9 Finally, an adjustment was made to annualize the expected the
10 Amortization of CIAC (Schedule C-2, Line 27). The adjustment to
11 CIAC amortization is inclusive of the post-test year analysis done on the
12 AIAC and CIAC accounts performed in October 2015, as mentioned
13 above in the discussion of the adjustment to Schedule B-2.

- 14 • Adjustment #3 – A revenue adjustment has been made to remove the
15 accrual since the consumption analysis accounts for 12 full months of
16 billing. In addition, a small adjustment has been made to tie revenues to
17 the billing analysis.
- 18 • Adjustment #4 – This adjustment zeroes out AFUDC for ratemaking
19 purposes and sets taxes to zero in order for proposed income taxes to be
20 calculated on the proposed revenue requirement and taxable income. In
21 addition, interest expense is calculated by multiplying the total pro forma
22 rate base by the weighted cost of debt.
- 23 • Adjustment #5 – The Company has included the total estimated cost of
24 this proceeding, amortized to expense over three years.

25 **Q. WHAT TYPE OF RATEMAKING METHODOLOGY DOES THE**
26 **COMPANY PROPOSE THAT THE COMMISSION EMPLOY IN THIS**

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CASE?

A. The Company proposes that its rates be determined utilizing the rate of return on rate base methodology.

Q. IS RATE OF RETURN ON RATE BASE TREATMENT APPROPRIATE FOR THE COMPANY?

A. Absolutely. The Company has a substantial rate base and needs to earn a rate of return that is sufficient to obtain the necessary equity and debt capital that a larger utility needs for sound operation.

Q. WHAT IS THE REQUESTED RETURN ON EQUITY IN THIS FILING?

A. The requested return on equity is 10.0%

Q. HOW WAS THIS RETURN CALCULATED?

A. In an effort to keep rate case expense reasonable, the Company chose not to hire a rate of return expert. Instead, the Company relied on returns on equity that the Commission has granted to other water utilities sharing a similar customer size and risk profile.

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes, it does.

Schedules A-H

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BEFORE THE ARIZONA CORPORATION COMMISSION

28

COMMISSIONERS

DOUG LITTLE – Interim Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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**NOTICE OF FILING REVISED
SCHEDULES**

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Revised Schedules in the above-captioned matter.

RESPECTFULLY SUBMITTED this 18th day of February, 2016.

FENNEMORE CRAIG, P.C.

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18 By: 
19 _____

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Bermuda Water Company
Test Year Ended: 8/31.2015
Index of Standard Filing Schedules for Class B Water Utilities

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Page 1

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Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Increase in Gross Revenue Requirements

Exhibit:
Schedule A-1
Page 1

Witness: Jason Martin

Line

No.

Computation of Increase in Gross Revenue Requirements

1	Adjusted Rate Base	\$	9,941,318
2	Adjusted Operating Income	\$	498,174
3	Current Rate of Return		5.01%
4	Required Operating Income	\$	994,132
5	Required Rate of Return		10.00%
6	Operating Income Deficiency	\$	495,958
7	Gross Revenue Conversion Factor		1.6119
8	Increase in Gross Revenue Requirements	\$	799,416

Spread of Revenue Increase by Customer Classification

	<u>Customer Classification</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
9	Residential	\$ 2,735,193	\$ 3,410,456	\$ 675,263	24.69%
10	Commercial	\$ 261,496	\$ 318,475	\$ 56,979	21.79%
11	Construction	\$ 47,054	\$ 58,878	\$ 11,824	25.13%
12	Irrigation	\$ 131,318	\$ 159,777	\$ 28,459	21.67%
13	School	\$ 27,530	\$ 37,871	\$ 10,342	37.57%
14	Wholesale	\$ 190,328	\$ 216,135	\$ 25,807	13.56%
15	Total Water Revenues	<u>\$ 3,392,919</u>	<u>\$ 4,201,593</u>	<u>\$ 808,674</u>	<u>23.83%</u>

Supporting Schedules : B-1, C-1, C-3, D-1, H-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Results of Operations

Exhibit:
Schedule A-2
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		8/31/2013	8/31/2014	Actual 8/31/2015	Adjusted 8/31/2015	Present Rates 8/31/2016	Proposed Rates 8/31/2016
1	Gross Revenues	3,555,189	3,509,902	3,491,672	3,499,142	3,499,142	4,298,558
2	Revenue Deductions & Operating Expenses	2,785,584	2,788,344	2,809,707	3,000,968	3,000,968	3,304,426
3	Operating Income	\$ 769,605	\$ 721,559	\$ 681,965	\$ 498,174	\$ 498,174	\$ 994,132
4	Other Income and Deductions	(1,927)	(3,990)	-	-	-	-
5	Interest Expense	268,151	330,914	314,051	-	-	-
6	Net Income	\$ 503,381	\$ 394,635	\$ 367,914	\$ 498,174	\$ 498,174	\$ 994,132
7	Earned Per Average Common Share	N/A	N/A	N/A	N/A	N/A	N/A
8	Dividends Per Common Share	N/A	N/A	N/A	N/A	N/A	N/A
9	Payout Ratio	N/A	N/A	N/A	N/A	N/A	N/A
10	Return on Average Invested Capital						
11	Return on Year End Capital	6.90%	6.53%	6.92%	5.01%	5.01%	10.00%
12	Return on Average Common Equity						
13	Return on Year End Common Equity	6.90%	6.53%	6.92%	5.01%	5.01%	10.00%
14	Times Bond Interest Earned - Before Income Taxes	-	-	-	-	-	-
15	Times Total Interest and Preferred Dividends Earned - After Income Taxes	-	-	-	-	-	-

Supporting Schedules : E-2, C-2, A-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Capital Structure

Exhibit:
Schedule A-3
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years At		Test Year At	Projected Year At
		8/31/2013	8/31/2014	8/31/2015	8/31/2016
1	Short-Term Debt	-	-	-	-
2	Long-Term Debt	-	-	-	-
3	Total Debt	\$ -	\$ -	\$ -	\$ -
4	Preferred Stock	-	-	-	-
5	Common Equity	11,883,784	12,278,419	12,646,333	12,646,333
6	Total Capital	\$ 11,883,784	\$ 12,278,419	\$ 12,646,333	\$ 12,646,333
<u>Capitalization Ratios:</u>					
7	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
8	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
9	Total Debt	0.00%	0.00%	0.00%	0.00%
10	Preferred Stock	0.00%	0.00%	0.00%	0.00%
11	Common Equity	100.00%	100.00%	100.00%	100.00%
12	Total Capital	100.00%	100.00%	100.00%	100.00%
13	Weighted Cost of Short-Term Debt			0.00%	0.00%
14	Weighted Cost of Long-Term Debt			0.00%	0.00%
15	Weighted Cost of Equity			6.92%	10.00%

Supporting Schedules : E-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Construction Expenditures and Gross Utility Plant in Service

Exhibit:
Schedule A-4
Page 1
Witness: Jason Martin

<u>Line No.</u>	<u>Description</u>		<u>Construction Expenditures</u>	<u>Net Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1	Prior Year Ended	8/31/2013	\$ 219,406	\$ 1,008,673	\$ 24,069,397
2	Prior Year Ended	8/31/2014	\$ 252,096	\$ 531,465	\$ 24,600,862
3	Test Year Ended	8/31/2015	\$ -	\$ 688,882	\$ 25,289,744
4	Projected Year Ended	8/31/2016	\$ -	\$ 270,854	\$ 25,560,598
5	Projected Year Ended	8/31/2017	\$ -	\$ 270,854	\$ 25,831,452
6	Projected Year Ended	8/31/2018	\$ -	\$ 270,854	\$ 26,102,306

Supporting Schedules : E-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary Changes in Financial Position

Exhibit:
Schedule A-5
Page 1
Witness: Jason Martin

		Prior Years Ended		Test Year	Projected Year	
Line No.	Description	8/31/2013	8/31/2014	8/31/2015	Present Rates 8/31/2016	Proposed Rates 8/31/2016
<u>Sources of Funds:</u>						
1	Operations	1,384,126	1,273,751	1,292,671	1,349,045	1,845,004
2	Outside Financing	5,155,258	5,049,745	4,943,304	4,850,218	4,850,218
3	Total Funds Provided	<u>\$ 6,539,384</u>	<u>\$ 6,323,495</u>	<u>\$ 6,235,976</u>	<u>\$ 6,199,263</u>	<u>\$ 6,695,222</u>
<u>Application of Funds:</u>						
4	Construction Expenditures	-	-	-	-	-
5	Other	-	-	-	-	-
6	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules : E-3, C-2, B-1

Bermuda Water Company

Test Year Ended: 8/31.2015

Summary of Original Cost and RCND Rate Base Elements

Exhibit:

Schedule B-1

Page 1

Witness: Jason Martin

<u>Line No.</u>	<u>Description</u>	<u>Original Cost Rate Base - Adjusted at End of TY</u>
1	Gross Utility Plant in Service	24,392,287
2	Less: Accumulated Depreciation	8,660,552
3	Net Utility Plant in Service	<u>\$ 15,731,735</u>
	<u>Less:</u>	
4	Advances in Aid of Construction	2,564,835
5	Contributions in Aid of Construction	2,285,383
6	ADIT	1,029,168
7	Customer Deposits	105,421
	<u>Add:</u>	
7	Allowance for Working Capital	194,390
9	Total Rate Base	<u><u>\$ 9,941,318</u></u>

Supporting Schedules : B-2, B-5

Recap Schedules : A-1, A-2

Bermuda Water Company

Test Year Ended: 8/31.2015

Original Cost Rate Base Pro Forma Adjustments

Exhibit:

Schedule B-2

Page 1

Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Actual at End of</u> <u>Test Year</u>	<u>Adjustment 1 -</u> <u>Depreciation &</u> <u>Amortization</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Adjusted at End of Test</u> <u>Year</u>
1	Gross Utility Plant in Service	25,289,744	(897,457)	(897,457)	24,392,287
2	Less: Accumulated Depreciation	9,558,009	(897,457)	(897,457)	8,660,552
3	Net Utility Plant in Service	\$ 15,731,735	\$ -	\$ -	\$ 15,731,735
	<u>Less:</u>				
4	Advances in Aid of Construction	3,254,486	(689,651)	(689,651)	2,564,835
5	Contributions in Aid of Construction	1,688,818	596,565	596,565	2,285,383
6	ADIT	1,029,168			1,029,168
7	Customer Deposits	105,421			105,421
	<u>Add:</u>				
7	Allowance for Working Capital	194,390	-	-	194,390
8	Total Rate Base	\$ 9,848,232	\$ 93,086	\$ 93,086	\$ 9,941,318

Supporting Schedules : E-1, RB Adj. #1 - D&A

Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND Rate Base Pro Forma Adjustments

Exhibit:
Schedule B-3
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND by Major Plant Accounts

Exhibit:
Schedule B-4
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Working Capital

Exhibit:
Schedule B-5
Page 1
Witness: Jason Martin

Line
No.

1	Working Cash Requirement (1/8 Method)	194,390
2	Material and Supplies Inventories	-
3	Prepayments	-
4	Total Working capital Allowance	<u>194,390</u>

Supporting Schedules: C-2
Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Adjusted Test Year Income Statement

Exhibit:
Schedule C-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Test Year Book</u> <u>Results</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Test Year Adjusted Results</u>
<u>Revenues</u>				
1	Water Revenues	3,385,449	7,470	3,392,919
2	Other Revenues	106,223	-	106,223
3	Total Revenues	\$ 3,491,672	\$ 7,470	\$ 3,499,142
<u>Operating Expenses</u>				
4	ELEC PWR - WATER SYSTEM	276,869	-	276,869
5	CHEMICALS	21,149	-	21,149
6	METER READING	-	-	-
7	BAD DEBT EXPENSE	24,959	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	28,010
9	EMPLOYEE PENSION&BENEFITS	192,615	8,763	201,378
10	INSURANCE EXPENSE	81,720	-	81,720
11	IT DEPARTMENT	28,964	-	28,964
12	MISCELLANEOUS EXPENSE	15,388	-	15,388
13	OFFICE EXPENSE	8,159	-	8,159
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	48,325
15	OUTSIDE SERVICE EXPENSE	57,309	-	57,309
16	REGULATORY COMMISSION EXP	14,881	60,986	75,867
17	RENT EXPENSE	17,663	-	17,663
18	SALARIES & WAGES	505,818	107,147	612,966
19	TRAVEL EXPENSE	6,370	-	6,370
20	FLEET TRANSPORTATION EXPENSE	37,037	-	37,037
21	MAINTENANCE TESTING	11,609	-	11,609
22	MAINTENANCE-WATER PLANT	19,858	-	19,858
23	MAINTENANCE-WTR&SWR PLANT	6,479	-	6,479
24	DEPRECIATION EXP-WATER	865,245	41,167	906,412
25	DEPREC EXP-AUTO TRANS	33,312	(7,746)	25,566
26	DEPREC EXP-COMPUTER	124,185	(99,231)	24,954
27	AMORT EXP-CIA-WATER	(97,985)	(8,075)	(106,060)
28	PAYROLL TAXES	53,883	10,547	64,431
29	PROPERTY & OTHER TAXES	200,773	-	200,773
30	DEF INCOME TAX-FEDERAL	173,233	(173,233)	-
31	DEF INCOME TAXES-STATE	6,127	(6,127)	-
32	INCOME TAXES-FEDERAL	-	256,635	256,635
33	INCOME TAXES-STATE	47,751	428	48,179
34	Total Operating Expenses	\$ 2,809,707	\$ 191,261	\$ 3,000,968
35	Utility Operating Income	\$ 681,965	\$ (183,791)	\$ 498,174
<u>Other Income & Deductions</u>				
36	MISCELLANEOUS INCOME	-	-	-
37	RENTAL / OTHER INCOME	-	-	-
38	INTEREST EXPENSE-INTERCO	329,537	(329,537)	-
39	SHORT TERM INTEREST EXP	2,736	(2,736)	-
40	INTEREST DURING CONSTRUCTION	(18,222)	18,222	-
41	Total Other Income and Deductions	\$ 314,051	\$ (314,051)	\$ -
42	Net Income	\$ 367,914	\$ 130,259	\$ 498,174

Supporting Schedules : C-2
Recap Schedules : A-1, A-2

Line No.	Description	Test Year Book Results	Adjustment 1 - Salaries, Benefits, Payroll Taxes & Vehicles	Adjustment 2 - Depreciation & Amortization	Adjustment 3 - Revenue	Adjustment 4 - Interest Expense, IDC & Taxes	Adjustment 5 - Rate Case Expense	Total Pro Forma Adjustments	Test Year Adjusted Results	Revenue Increase	Proposed
Revenues											
1	Water Operating Revenues	3,385,449	-	-	7,470	-	-	7,470	3,392,919	799,416	4,192,335
2	Miscellaneous Operating Revenues	106,223	-	-	-	-	-	-	106,223	-	106,223
3	Total Revenues	\$ 3,491,672	\$ -	\$ -	\$ 7,470	\$ -	\$ -	\$ 7,470	\$ 3,499,142	\$ 799,416	\$ 4,298,558
Operating Expenses											
4	ELEC PWR - WATER SYSTEM	276,869	-	-	-	-	-	-	276,869	-	276,869
5	CHEMICALS	21,149	-	-	-	-	-	-	21,149	-	21,149
6	METER READING	-	-	-	-	-	-	-	-	-	-
7	BAD DEBT EXPENSE	24,959	-	-	-	-	-	-	24,959	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	-	-	-	-	-	28,010	-	28,010
9	EMPLOYEE PENSION/BENEFITS	192,615	8,763	-	-	-	-	8,763	201,378	-	201,378
10	INSURANCE EXPENSE	81,720	-	-	-	-	-	-	81,720	-	81,720
11	IT DEPARTMENT	28,964	-	-	-	-	-	-	28,964	-	28,964
12	MISCELLANEOUS EXPENSE	15,388	-	-	-	-	-	-	15,388	-	15,388
13	OFFICE EXPENSE	8,159	-	-	-	-	-	-	8,159	-	8,159
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	-	-	-	-	-	48,325	-	48,325
15	OUTSIDE SERVICE EXPENSE	57,309	-	-	-	-	-	-	57,309	-	57,309
16	REGULATORY COMMISSION EXP	14,881	-	-	-	-	60,986	60,986	75,867	-	75,867
17	RENT EXPENSE	17,663	-	-	-	-	-	-	17,663	-	17,663
18	SALARIES & WAGES	505,818	107,147	-	-	-	-	107,147	612,966	-	612,966
19	TRAVEL EXPENSE	6,370	-	-	-	-	-	-	6,370	-	6,370
20	FLEET TRANSPORTATION EXPENSE	37,037	-	-	-	-	-	-	37,037	-	37,037
21	MAINTENANCE TESTING	11,609	-	-	-	-	-	-	11,609	-	11,609
22	MAINTENANCE-WATER PLANT	19,858	-	-	-	-	-	-	19,858	-	19,858
23	MAINTENANCE-WTRESWR PLANT	6,479	-	-	-	-	-	-	6,479	-	6,479
24	DEPRECIATION EXP-WATER	865,245	-	41,167	-	-	-	41,167	906,412	-	906,412
25	DEPREC EXP-AUTO TRANS	33,312	-	(7,746)	-	-	-	(7,746)	25,566	-	25,566
26	DEPREC EXP-COMPUTER	124,185	-	(99,231)	-	-	-	(99,231)	24,954	-	24,954
27	AMORT EXP-JIA-WATER	(97,985)	-	(8,075)	-	-	-	(8,075)	(106,060)	-	(106,060)
28	PAYROLL TAXES	53,883	10,547	-	-	-	-	10,547	64,431	-	64,431
29	PROPERTY & OTHER TAXES	200,773	-	-	-	-	-	-	200,773	-	200,773
30	DEF INCOME TAX-FEDERAL	173,233	-	-	-	(173,233)	-	(173,233)	-	-	-
31	DEF INCOME TAXES-STATE	6,127	-	-	-	(6,127)	-	(6,127)	-	-	-
32	INCOME TAXES-FEDERAL	-	-	-	-	256,635	-	256,635	256,635	255,493	512,128
33	INCOME TAXES-STATE	47,751	-	-	-	428	-	428	48,179	47,965	96,144
34	Total Operating Expenses	\$ 2,809,707	\$ 126,458	\$ (73,885)	\$ -	\$ 71,702	\$ 60,986	\$ 191,261	\$ 3,000,968	\$ 303,458	\$ 3,304,426
35	Utility Operating Income	\$ 681,965	\$ (126,458)	\$ 73,885	\$ 7,470	\$ (71,702)	\$ (60,986)	\$ (183,791)	\$ 498,173	\$ 495,958	\$ 994,132
Other Income & Deductions											
36	MISCELLANEOUS INCOME	-	-	-	-	-	-	-	-	-	-
37	RENTAL / OTHER INCOME	-	-	-	-	-	-	-	-	-	-
38	INTEREST EXPENSE-INTERCO	329,537	-	-	-	(329,537)	-	(329,537)	-	-	-
39	SHORT TERM INTEREST EXP	2,796	-	-	-	(2,796)	-	(2,796)	-	-	-
40	INTEREST DURING CONSTRUCTION	(18,222)	-	-	-	18,222	-	18,222	-	-	-
41	Total Other Income and Deductions	\$ 314,051	\$ -	\$ -	\$ -	\$ (314,051)	\$ -	\$ (314,051)	\$ -	\$ -	\$ -
42	Net Income	\$ 367,914	\$ (126,458)	\$ 73,885	\$ 7,470	\$ 236,348	\$ (60,986)	\$ 130,259	\$ 498,173	\$ 495,958	\$ 994,132

Adjustment 3 - Revenue reflects the difference between booked operating revenues and calculated revenues based on recorded sales.

Adjustment 4 - Adjustments reflect recalculation of interest and taxes after all other adjustments.

Interest expense is calculated by multiplying rate base (A-1) by the weighted cost of debt (D-1)

Supporting Schedules: YE 8.31.15 TB; IS Adj; #1 - Labor Costs; IS Adj; #2 - D&A; IS Adj; #5

Recap Schedules: C-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Gross Revenue Conversion Factor

Exhibit:
Schedule C-3
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	
1	Operating Income Before Taxes	100.00%
2	State Income Taxes	<u>6.000%</u>
3	Federal Taxable Income	94.000%
4	Federal Income Taxes	34.00%
5	Effective Federal Income Taxes	31.960%
6	Combined Effective Income Taxes	<u>37.96%</u>
7	Operating Income Percentage	62.04%
8	Gross Revenue Conversion Factor	1.6119

Recap Schedules : A-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Cost of Capital

Exhibit:
Schedule D-1
Page 1
Witness: Jason Martin

Line No.	Description	End of Test Year			End of Projected Year				
		Dollar Amount	Percent of Total	Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost
1	Short-Term Debt	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%	0.00%	0.00%
2	Long-Term Debt	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%	0.00%	0.00%
3	Stockholder's Equity	\$ 12,646,333	100.00%	6.92%	6.92%	\$ 12,646,333	100.00%	10.00%	10.00%
4	Total	\$ 12,646,333	100.00%		6.92%	\$ 12,646,333	100.00%		10.00%

Supporting Schedules : D-4
Recap Schedules : A-1, A-2, A-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Long-Term and Short Term Debt

Exhibit:
Schedule D-2
Page 1
Witness: Jason Martin

Line No.	Description	End of Test Year			End of Projected Year		
		Amount Outstanding	Annual Cost	Interest Rate	Amount Outstanding	Annual Cost	Interest Rate
1	Short-Term Debt	\$ -	-	0.00%	\$ -	-	0.00%
2	Long-Term Debt	\$ -	-	0.00%	\$ -	-	0.00%
3	Total	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%

Supporting Schedules : D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Preferred Stock

Exhibit:
Schedule D-3
Page 1
Witness: Jason Martin

Line No.	Description	End of Test Year			End of Projected Year		
		Shares Outstanding	Amount	Dividend Requirement	Shares Outstanding	Amount	Dividend Requirement

1 Not Applicable. No Preferred Stock Issued or Outstanding.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Common Equity

Exhibit:
Schedule D-4
Page 1
Witness: Jason Martin

Line
No.

1 The Company's rate application reflects a 10.0% return on common equity. See the direct testimony of Jason Martin.

2 Return on Common Equity = 10.0%

3 10.00%

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Balance Sheet

Exhibit:
Schedule E-1
Page 1
Witness: Jason Martin

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
<u>ASSETS</u>				
<u>Property, Plant & Equipment</u>				
1	Utility Plant	25,289,744	24,600,862	24,069,397
2	Construction Work in Progress	-	252,096	219,406
3	Utility Plant Acquisition Adjustment	-	-	-
4	Less: Accumulated Depreciation	9,558,009	8,508,438	7,753,051
5	Net Plant	\$ 15,731,735	\$ 16,344,520	\$ 16,535,753
<u>Current Assets</u>				
6	CASH	1,000	7,092	9,711
7	ACCOUNTS RECEIVABLE	1,714,278	939,484	322,545
8	INVENTORY TOTAL	772	393	998
9	OTHER CURRENT ASSETS	3,155	18,163	16,582
10	Total Current Assets	\$ 1,719,204	\$ 965,133	\$ 349,836
11	DEF CHGS & OTHER ASSETS	\$ 12,584	\$ 21,852	\$ 61,082
12	Total Assets	\$ 17,463,524	\$ 17,331,504	\$ 16,946,671
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>				
<u>Equity</u>				
13	COMMON STOCK	27,200	27,200	27,200
14	PAID IN CAPITAL	230,776	230,776	230,776
15	MISC PAID IN CAPITAL	4,342,279	4,342,279	4,342,279
16	TREASURY STOCK	(340,000)	(340,000)	(340,000)
17	RETAINED EARNINGS	8,386,079	8,018,165	7,623,529
18	Total Equity	\$ 12,646,333	\$ 12,278,419	\$ 11,883,784
<u>Long-Term Liabilities</u>				
19	ADVANCES IN AID OF CONSTRUCTION	3,254,486	3,262,978	3,270,542
20	CONTRIBUTIONS IN AID OF CONSTRUCTION	1,688,818	1,786,767	1,884,716
21	DEFERRED INCOME TAXES	1,029,168	848,975	609,406
22	DEFERRED INVESTMENT TAX CREDITS	4,334	0	0
23	Total Long-Term Liabilities	\$ 5,976,807	\$ 5,898,720	\$ 5,764,664
<u>Current Liabilities</u>				
24	ACCOUNTS PAYABLE	(1,113,352)	(1,152,224)	(1,113,327)
25	CUSTOMER DEPOSITS	105,421	111,696	133,110
26	ACCRUED TAXES	216,202	177,669	257,478
27	ACCRUED INTEREST	4,347	4,282	8,019
28	PAYABLE TO DEVELOPERS	12,943	12,943	12,943
29	Total Current Liabilities	\$ (774,439)	\$ (845,634)	\$ (701,777)
30	Total Liabilities & Common Equity	\$ 17,848,701	\$ 17,331,504	\$ 16,946,671

Supporting Schedules : E-5, YE 8.31.13 TB, YE 8.31.14 TB, YE 8.31.15 TB
Recap Schedules : A-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Income Statements

Exhibit:
Schedule E-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended		Prior Years Ended	
		8/31/2015		8/31/2014	8/31/2013
1	Operating Revenues	\$	3,491,672	\$ 3,509,902	\$ 3,555,189
2	Operation and Maintenance Expense		1,403,182	1,407,012	1,432,738
3	Depreciation & Amortization		924,757	879,115	880,745
4	Other Taxes		254,656	198,448	191,354
5	Income Taxes		227,111	303,769	280,746
6	Total Operating Expense	\$	2,809,707	\$ 2,788,344	\$ 2,785,584
7	Operating Income	\$	681,965	\$ 721,559	\$ 769,605
8	Other Income		-	(3,990)	(1,927)
9	Interest		332,272	349,129	391,498
10	AFUDC		(18,222)	(18,216)	(123,347)
11	Net Income	\$	367,914	\$ 394,635	\$ 503,381
12	Preferred Dividends	\$	-	\$ -	\$ -
13	Earnings Available for Common Stock	N/A		N/A	N/A
14	Earnings Per Share of Average Common Stock Outstanding	N/A		N/A	N/A

Supporting Schedules : C-1, YE 8.31.14 TB, YE 8.31.13 TB

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Statement of Changes in Financial Position

Exhibit:
Schedule E-3
Page 1
Witness: Jason Martin

		Test Year Ended	Prior Years Ended	
Line No.	Description	9/1/2014-8/31/2015	9/1/2013-8/31/2014	9/1/2012-8/31/2013
<u>Source of Funds:</u>				
<u>From Operations</u>				
1	Net Income	367,914	394,635	503,381
2	Depreciation and Amortization	909,891	843,552	845,200
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	<u>\$ 1,292,671</u>	<u>\$ 1,273,751</u>	<u>\$ 1,384,126</u>
<u>From Financing</u>				
5	Advances in Aid of Construction	3,254,486	3,262,978	3,270,542
6	Contributions in Aid of Construction	1,688,818	1,786,767	1,884,716
7	Other	-	-	-
8	Total From Financing	<u>\$ 4,943,304</u>	<u>\$ 5,049,745</u>	<u>\$ 5,155,258</u>
<u>Application of Funds:</u>				
9	Construction Expenditures	-	-	-
10	Other	-	-	-
11	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules : E-1, E-2, F-3
Recap Schedules : A-5

		UTILITIES, INC. CAPITAL STRUCTURE					
Line No.	Description	Preferred		Common		Additional Paid-In-Capital	Retained Earnings
		Shares	Amount	Shares	Amount		
1	Balance, August 31, 2012	-	\$ -	1,000	\$ 100	\$ 4,143,350	\$ 6,797,046
2	Net Earnings	-	\$ -	-	\$ -	\$ 429,704	\$ 329,842
3	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	\$ -
4	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	\$ -
5	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
6	Common Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
7	Balance, August 31, 2013	-	\$ -	1,000	\$ 100	\$ 4,573,054	\$ 7,126,888
8	Net Earnings	-	\$ -	-	\$ -	\$ -	\$ 568,174
9	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	\$ -
10	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	\$ -
11	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
12	Common Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
13	Balance, August 31, 2014	-	\$ -	1,000	\$ 100	\$ 4,573,054	\$ 7,695,063
14	Net Earnings	-	\$ -	-	\$ -	\$ -	\$ 367,914
15	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	\$ -
16	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	\$ -
17	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
18	Common Stock Issued	-	\$ -	-	\$ -	\$ -	\$ -
19	Balance, August 31, 2015	-	\$ -	1,000	\$ 100	\$ 4,573,054	\$ 8,062,977

Note: Parent company made a \$1,000,000 capital contribution

Note: E-4 shows capital structure of Utilities, Inc., however the capital structure of Bermuda has been utilized for this filing.

Line No.	Account Description	Object Code	NALIC	Self Adjusted Balance at 06/30/2012	2010 Additions	Plan Balance at 06/30/2011	2011 Additions	Plan Balance at 06/30/2012	2012 Additions	Plan Balance at 06/30/2013	2013 Additions	Plan Balance at 06/30/2014	2014 Additions	Plan Balance at 06/30/2015	2015 Additions	Total Estimated Balance	2015 Additional Additions	Final Balance
1	FRANCHISES	1000	300.1	348,545	-	348,545	-	348,545	-	348,545	-	348,545	-	348,545	-	348,545	-	348,545
2	FRANCHISES	1001	300.1	37,834	-	37,834	-	37,834	-	37,834	-	37,834	-	37,834	-	37,834	-	37,834
3	LAND & LAND RIGHTS WITH	1005	300.3	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
4	LAND & LAND RIGHTS WITH	1006	300.3	14,237.00	18	14,237.00	18	14,237.00	18	14,237.00	18	14,237.00	18	14,237.00	18	14,237.00	18	14,237.00
5	STRUCTURE & IMPVY ACQUISIT	1050	304.2	57,405	-	57,405	-	57,405	-	57,405	-	57,405	-	57,405	-	57,405	-	57,405
6	STRUCTURE & IMPVY ACQUISIT	1051	304.2	214,075	2,000	214,075	2,000	214,075	2,000	214,075	2,000	214,075	2,000	214,075	2,000	214,075	2,000	214,075
7	STRUCTURE & IMPVY ACQUISIT	1052	304.2	521,546	-	521,546	-	521,546	-	521,546	-	521,546	-	521,546	-	521,546	-	521,546
8	STRUCTURE & IMPVY ACQUISIT	1053	304.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
9	STRUCTURE & IMPVY ACQUISIT	1054	304.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
10	STRUCTURE & IMPVY ACQUISIT	1055	304.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
11	WELLS & SPRINGS	1080	302.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
12	WELLS & SPRINGS	1081	302.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
13	WELLS & SPRINGS	1082	302.2	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116	-	1,738,116
14	ELECTRIC PUMP EQUIP PUMP	1100	311.3	56,523	32,870	89,393	32,870	122,263	32,870	155,133	32,870	188,003	32,870	220,873	32,870	253,743	32,870	286,613
15	ELECTRIC PUMP EQUIP PUMP	1101	311.3	708,007	18,107	726,114	18,107	744,221	18,107	762,328	18,107	780,435	18,107	798,542	18,107	816,649	18,107	834,756
16	ELECTRIC PUMP EQUIP PUMP	1102	311.3	1,000	1,000	2,000	1,000	3,000	1,000	4,000	1,000	5,000	1,000	6,000	1,000	7,000	1,000	8,000
17	ELECTRIC PUMP EQUIP PUMP	1103	311.3	1,000	1,000	2,000	1,000	3,000	1,000	4,000	1,000	5,000	1,000	6,000	1,000	7,000	1,000	8,000
18	ELECTRIC PUMP EQUIP PUMP	1104	311.3	1,000	1,000	2,000	1,000	3,000	1,000	4,000	1,000	5,000	1,000	6,000	1,000	7,000	1,000	8,000
19	ELECTRIC PUMP EQUIP PUMP	1105	311.3	1,000	1,000	2,000	1,000	3,000	1,000	4,000	1,000	5,000	1,000	6,000	1,000	7,000	1,000	8,000
20	TRUCKS & TRAILERS	1120	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
21	TRUCKS & TRAILERS	1121	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
22	TRUCKS & TRAILERS	1122	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
23	TRUCKS & TRAILERS	1123	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
24	TRUCKS & TRAILERS	1124	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
25	TRUCKS & TRAILERS	1125	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
26	TRUCKS & TRAILERS	1126	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
27	TRUCKS & TRAILERS	1127	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
28	TRUCKS & TRAILERS	1128	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
29	TRUCKS & TRAILERS	1129	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
30	TRUCKS & TRAILERS	1130	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
31	TRUCKS & TRAILERS	1131	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
32	TRUCKS & TRAILERS	1132	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
33	TRUCKS & TRAILERS	1133	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
34	TRUCKS & TRAILERS	1134	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
35	TRUCKS & TRAILERS	1135	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
36	TRUCKS & TRAILERS	1136	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
37	TRUCKS & TRAILERS	1137	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
38	TRUCKS & TRAILERS	1138	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
39	TRUCKS & TRAILERS	1139	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
40	TRUCKS & TRAILERS	1140	314.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
41	Accumulated Depreciation	1000	315	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000
42	Accumulated Depreciation	1001	315	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000
43	Accumulated Depreciation	1002	315	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000
44	Accumulated Depreciation	1003	315	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000
45	Accumulated Depreciation	1004	315	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000

Bermuda Water Company

Test Year Ended: 8/31.2015

Comparative Departmental Operating Income Statements

Exhibit:

Schedule E-6

Page 1

Witness: Jason Martin

Line

No.

- 1 Bermuda Water Company only contains one operating system.

Bermuda Water Company
Test Year Ended: 8/31.2015
Operating Statistics

Exhibit:
Schedule E-7
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		8/31/2015	8/31/2014	8/31/2013
	<u>Water Sold</u>			
1	Residential	718,466,000	737,563,000	760,758,000
2	Commercial	62,517,000	52,928,000	50,970,000
3	Construction	13,360,000	15,235,000	19,245,000
4	Irrigation	50,118,000	54,877,000	59,332,000
5	School	5,540,000	6,336,000	6,612,000
6	Wholesale	107,530,000	110,080,000	120,698,000
7	Total Gallons Sold	957,531,000	977,019,000	1,017,615,000
	<u>Average No. Customers</u>			
8	Residential	7,465	7,377	7,308
9	Commercial	269	258	248
10	Construction	13	12	12
11	Irrigation	105	109	110
12	School	9	9	9
13	Wholesale	9	9	9
14	Avg. Annual Gallons Per Residential Customer	96,240	99,984	104,105
15	Avg. Annual Revenue Per Residential Customer	\$ 366.39	\$ 376.58	\$ 388.00
16	Pumping Cost Per 1,000 Gallons			

Supporting Schedules : H-5, Test Tr Consum Ending 8-31-15, YE 8-31-14 Cons, YE 8-31-13 Cons

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
<u>Federal Taxes</u>				
1	INCOME TAXES-FEDERAL	-	-	215,862
2	FICA EXPENSE	47,398	41,334	36,178
3	DEF INCOME TAX-FEDERAL	173,233	242,990	53,170
4	FEDERAL UNEMPLOYMENT TAX	527	514	1,239
5	Total Federal Taxes	\$ 221,158	\$ 284,838	\$ 306,450
<u>State Taxes</u>				
6	INCOME TAXES-STATE	47,751	64,186	-
7	DEF INCOME TAXES-STATE	6,127	(3,408)	11,714
8	STATE UNEMPLOYMENT TAX	5,958	5,853	4,059
9	Total State Taxes	\$ 59,836	\$ 66,632	\$ 15,772
<u>Other Taxes</u>				
10	FRANCHISE TAX	2,962	5,046	7,426
11	PERSONAL PROPERTY/ICT TAX	147,733	140,312	139,909
12	PROPERTY/OTHER GENERAL TAX	6,769	(4,259)	(9,744)
13	REAL ESTATE TAX	37,159	2,441	2,499
14	UTILITY/COMMISSION TAX	6,150	7,206	9,788
15	Total Local Taxes	\$ 200,773	\$ 150,747	\$ 149,878
16	Total Taxes	\$ 481,768	\$ 502,217	\$ 472,100

Supporting Schedules : YE 8.31.15 TB, YE 8.31.14 TB, YE 8.31.13 TB

Line
No.

- 1 The accrual accounting method is used.
- 2 Depreciation has been adjusted in this filing to reflect the Commision's approved rates.
- 3 Federal Income taxes are part of consolidated return of the parent company.
- 4 IDC Is charged at a rate of 8.10%.

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Income Statements - Present and Proposed Rates

Exhibit:
Schedule F-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	Test Year Ended	Projected Year Ended	
	8/31/2015	8/31/2016 - Present Rates	8/31/2016 - Proposed Rates
1 Operating Revenues	\$ 3,491,672	\$ 3,499,142	\$ 4,298,558
2 Operation and Maintenance Expense	1,403,182	1,580,079	1,580,079
3 Depreciation & Amortization	924,757	850,872	850,872
4 Other Taxes	254,656	265,203	265,203
5 Income Taxes	227,111	304,814	608,272
6 Total Operating Expense	\$ 2,809,707	\$ 3,000,968	\$ 3,304,426
7 Operating Income	\$ 681,965	\$ 498,174	\$ 994,132
8 Other Income	-	-	-
9 Interest	332,272	-	-
10 AFUDC	(18,222)	-	-
11 Net Income	\$ 367,914	\$ 498,174	\$ 994,132
12 Earnings Per Share of Average Common Stock Outstanding			
13 Return on Common Equity			10.00%

Supporting Schedules : E-2, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Changes in Financial Position - Present and Proposed Rates

Exhibit:
Schedule F-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Projected Year Ended	
		8/31/2015	8/31/2016 at Present Rates	8/31/2016 at Proposed Rates

Source of Funds:

From Operations

1	Net Income	367,914	498,173	994,132
2	Depreciation and Amortization	909,891	850,872	850,872
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	<u>\$ 1,292,671</u>	<u>\$ 1,384,608</u>	<u>\$ 1,880,549</u>

From Financing

5	Advances in Aid of Construction	3,254,486	2,564,835	2,564,835
6	Contributions in Aid of Construction	1,688,818	2,285,383	2,285,383
7	Total From Financing	<u>\$ 4,943,304</u>	<u>\$ 4,850,218</u>	<u>\$ 4,850,218</u>

Application of Funds:

8	Construction Expenditures	-	-	-
9	Other	-	-	-
10	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Details of Financing:

11	Changes in Short-Term Debt	-	-	-
12	Changes in Long-Term Debt	-	-	-
13	Changes in Preferred Stock	-	-	-
14	Changes in Common Equity	-	-	-

Supporting Schedules : E-3, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Construction Requirements

Exhibit:
 Schedule F-3
 Page 1
 Witness: Jason Martin

Line No.	Property Classification	Test Year Ended	Projected Year Ended			
		8/31/2015	8/31/2016	8/31/2017	8/31/2018	
	<u>From Operations</u>					
1	Production Plant	-	-	-	-	
2	Transmission Plant	-	-	-	-	
3	Miscellaneous Plant	-	-	-	-	
4	Total Plant	\$ -	\$ -	\$ -	\$ -	

Bermuda Water Company
Test Year Ended: 8/31.2015
Assumptions Used in Developing Projections

Exhibit:
Schedule F-4
Page 1
Witness: Jason Martin

Line
No.

1 Customer Growth
2 None

3 Growth in Consumption and Customer Demand
4 None

5 Changes in Expenses
6 See Schedule C-1 and C-2.

7 Construction requirements, including production reserves and changes in plant capacity
8 None

9 Capital Structure Changes
10 None

11 Financing Costs, Interest Rates
12 See Schedule D-1.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Service Analysis

Exhibit:
Schedules G-1 thru G-7
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not prepare a cost of service study.

Bermuda Water Company

Test Year Ended: 8/31.2015

Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit:

Schedule H-1

Page 1

Witness: Jason Martin

Line No.	Customer Classification	Test Year Revenues		Proposed Increase	
		Present Rates	Proposed Rates	Amount	Percentage
1	Residential	\$ 2,735,193	\$ 3,410,456	\$ 675,263	24.69%
2	Commercial	\$ 261,496	\$ 318,475	\$ 56,979	21.79%
3	Construction	\$ 47,054	\$ 58,878	\$ 11,824	25.13%
4	Irrigation	\$ 131,318	\$ 159,777	\$ 28,459	21.67%
5	School	\$ 27,530	\$ 37,871	\$ 10,342	37.57%
6	Wholesale	\$ 190,328	\$ 216,135	\$ 25,807	13.56%
7	Total Revenues	\$ 3,392,919	\$ 4,201,593	\$ 808,674	23.83%

Supporting Schedules : H-2

Recap Schedules : A-1

Line No.	Customer Classification	Meter Size	Average Number of Customers	Average Consumption	Test Year Revenues		Proposed Increase	
					Present Rates	Proposed Rates	Amount	Percentage
1	Residential	5/8"	7,352	7,767	\$ 2,572,583	\$ 3,208,222	\$ 635,639	24.71%
2		1"	75	15,455	\$ 64,457	\$ 79,767	\$ 15,310	23.75%
3		1.5"	2	6,583	\$ 1,996	\$ 2,639	\$ 643	32.20%
4		2"	35	43,817	\$ 91,683	\$ 114,174	\$ 22,491	24.53%
5		3"	1	53,167	\$ 4,474	\$ 5,655	\$ 1,181	26.40%
6		6"	-	#DIV/0!	\$ -	\$ -	\$ -	#DIV/0!
7	Total Residential				\$ 2,735,193	\$ 3,410,456	\$ 675,263	24.69%
8	Commercial	5/8"	180	7,821	\$ 71,929	\$ 88,716	\$ 16,787	23.34%
9		1"	57	19,302	\$ 57,294	\$ 70,039	\$ 12,745	22.25%
10		2"	33	82,510	\$ 132,273	\$ 159,720	\$ 27,447	20.75%
11	Total Commercial				\$ 261,496	\$ 318,475	\$ 56,979	21.79%
12	Construction	5/8"	-	#DIV/0!	\$ -	\$ -	\$ -	#DIV/0!
13		1"	2	14,917	\$ 1,427	\$ 1,797	\$ 370	25.95%
14		2"	3	20,162	\$ 5,367	\$ 6,982	\$ 1,615	30.08%
15		3"	8	136,178	\$ 40,260	\$ 50,099	\$ 9,839	24.44%
16	Total Construction				\$ 47,054	\$ 58,878	\$ 11,824	25.13%
17	Irrigation	5/8"	6	17,597	\$ 3,014	\$ 3,665	\$ 651	21.61%
18		1"	92	26,748	\$ 87,385	\$ 107,497	\$ 20,113	23.02%
19		2"	7	228,738	\$ 40,919	\$ 48,614	\$ 7,695	18.81%
20	Total Irrigation				\$ 131,318	\$ 159,777	\$ 28,459	21.67%
21	School	1"	1	16,333	\$ 767	\$ 958	\$ 191	24.91%
22		1.5"	1	39,417	\$ 1,677	\$ 2,091	\$ 414	24.66%
23		2"	6	25,528	\$ 11,317	\$ 14,566	\$ 3,249	28.71%
24		6"	-	-	-	-	-	-
25		8"	-	-	-	-	-	-
26		10"	1	252,750	\$ 13,768	\$ 20,256	\$ 6,488	47.12%
27	Total School				\$ 27,530	\$ 37,871	\$ 10,342	37.57%
28	Wholesale	5/8"	1	1,050,833	\$ 22,320	\$ 25,346	\$ 3,026	13.56%
29		1"	3	26,139	\$ 1,666	\$ 1,891	\$ 226	13.56%
30		4"	1	45,000	\$ 956	\$ 1,085	\$ 130	13.56%
31		6"	4	1,946,646	\$ 165,387	\$ 187,812	\$ 22,425	13.56%
32	Total Wholesale				\$ 190,328	\$ 216,135	\$ 25,807	13.56%
33	Total Company				\$ 3,392,919	\$ 4,201,593	\$ 808,674	23.83%

Supporting Schedules : H-5, Test Yr Consum Ending 8-31-15
Recap Schedules : H-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Changes in Representative Rate Schedules

Exhibit:
Schedule H-3
Page 1
Witness: Jason
Martin

Line No.	Customer Classification	Meter Size	Rate Block	Base Charge			Volume Charge per 1,000 Gals.		
				Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
1	Residential	5/8"	First 3,000 gals.	\$ 13.00	\$ 18.00	\$ 5.00	\$ 1.25	\$ 1.42	\$ 0.17
2			3,001 to 9,000 gals.				\$ 2.00	\$ 2.27	\$ 0.27
3			Over 9,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
4		1"	First 25,000 gals.	\$ 35.00	\$ 47.00	\$ 12.00	\$ 2.00	\$ 2.27	\$ 0.27
5			Over 25,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
6		1.5"	First 50,000 gals.	\$ 70.00	\$ 95.00	\$ 25.00	\$ 2.00	\$ 2.27	\$ 0.27
7			Over 50,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
8		2"	First 80,000 gals.	\$ 112.00	\$ 151.00	\$ 39.00	\$ 2.00	\$ 2.27	\$ 0.27
9			Over 80,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
10		3"	First 165,000 gals.	\$ 224.00	\$ 302.00	\$ 78.00	\$ 2.00	\$ 2.27	\$ 0.27
11			Over 165,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
12		6"	First 500,000 gals.	\$ 700.00	\$ 945.00	\$ 245.00	\$ 2.00	\$ 2.27	\$ 0.27
13			Over 500,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
14	Commercial	5/8"	First 9,000 gals.	\$ 13.00	\$ 18.00	\$ 5.00	\$ 2.00	\$ 2.27	\$ 0.27
15			Over 9,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
16		1"	First 25,000 gals.	\$ 35.00	\$ 47.00	\$ 12.00	\$ 2.00	\$ 2.27	\$ 0.27
17			Over 25,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
18		2"	First 80,000 gals.	\$ 112.00	\$ 151.00	\$ 39.00	\$ 2.00	\$ 2.27	\$ 0.27
19			Over 80,000 gals.				\$ 3.12	\$ 3.55	\$ 0.43
20	Construction	5/8"		\$ 13.00	\$ 18.00	\$ 5.00	\$ 1.64	\$ 1.87	\$ 0.23
21		1"		\$ 35.00	\$ 47.00	\$ 12.00	\$ 1.64	\$ 1.87	\$ 0.23
22		2"		\$ 112.00	\$ 151.00	\$ 39.00	\$ 1.64	\$ 1.87	\$ 0.23
23		3"		\$ 224.00	\$ 302.00	\$ 78.00	\$ 1.64	\$ 1.87	\$ 0.23
24	Irrigation	5/8"		\$ 13.00	\$ 18.00	\$ 5.00	\$ 1.64	\$ 1.87	\$ 0.23
25		1"		\$ 35.00	\$ 47.00	\$ 12.00	\$ 1.64	\$ 1.87	\$ 0.23
26		2"		\$ 112.00	\$ 151.00	\$ 39.00	\$ 1.64	\$ 1.87	\$ 0.23
27	School	1"		\$ 35.00	\$ 47.00	\$ 12.00	\$ 1.77	\$ 2.01	\$ 0.24
28		1.5"		\$ 70.00	\$ 95.00	\$ 25.00	\$ 1.77	\$ 2.01	\$ 0.24
29		2"		\$ 112.00	\$ 151.00	\$ 39.00	\$ 1.77	\$ 2.01	\$ 0.24
30		6"		\$ 700.00	\$ 700.00	\$ -	\$ 1.77	\$ 2.01	\$ 0.24
31		8"		\$ 700.00	\$ 940.00	\$ 240.00	N/A	\$ 2.05	N/A
32		10"		\$ 700.00	\$ 1,180.00	\$ 480.00	N/A	\$ 2.05	N/A
33	Wholesale	5/8"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.01	\$ 0.24
34		1"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.01	\$ 0.24
35		4"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.01	\$ 0.24
36		6"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.01	\$ 0.24

Bermuda Water Company
Test Year Ended: 8/31.2015
Changes in Representative Rate Schedules

Exhibit:
Schedule H-3
Page 3
Witness: Jason
Martin

Line No.	Customer Classification	Current Charge	Proposed Charge	Notes
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Miscellaneous Charges

1	Compromised Meter Lock	\$ 15.00	\$ 45.00	
2	Deferred Payment Interest	1.50%	1.50%	A
3	Deposit	-	\$ -	B
4	Deposit (Interest)	-	\$ -	B
5	Establishment Fee	\$ 35.00	\$ 35.00	
6	Late Payment	1.50%	1.50%	C
7	Meter Test Performed by Company	\$ 20.00	\$ 20.00	D
8	Meter Test Performed by Outside Vendor	\$ 25.00	\$ 30.00	D
9	NSF Check (Returned Check)	\$ 15.00	\$ 25.00	
10	Reconnection (Delinquent)	\$ 50.00	\$ 50.00	
11	After Hours Service Charge	\$ 30.00	\$ 30.00	
12	Meter Re-Read Charge	\$ 5.00	\$ 20.00	
14	Construction Re-Establishment Fee	\$ -	\$ -	G

Meter Installation Charges

5/8" x 3/4"	\$ 60.00	\$ 140.00	E
1"	\$ 85.00	\$ 290.00	E
1.5"	n/a	\$ 500.00	
2"	\$ 317.00	\$ 900.00	E
3" or larger	\$ -	\$ -	E & F

Service Line Installation Charges

5/8" x 3/4"	\$ 125.00	\$ 500.00	E
1"	\$ 180.00	\$ 560.00	E
2"	\$ 520.00	\$ 900.00	E
3" or larger	-	\$ -	E & F

Notes

- A 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement
- B Pursuant to A.A.C.R. 14-2-403(B).
- C If payment not received within 15 days from date bill is rendered
- D Only if correct
- E Refunds of the installation charges shall be pursuant to A.A.C.R. 14-3-405 except that the refunds will occur in the billing month of September
- F Actual costs of materials and labor
- G The base rate multiplied by the number of vacant months between usage

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

5/8" Residential Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	13.00	-	13.00	18.00	-	\$ 18.00	\$ 5.00	38.46%
2	1,000	13.00	1.25	14.25	18.00	1.42	\$ 19.42	\$ 5.17	36.28%
3	2,000	13.00	2.50	15.50	18.00	2.84	\$ 20.84	\$ 5.34	34.45%
4	3,000	13.00	3.75	16.75	18.00	4.26	\$ 22.26	\$ 5.51	32.90%
5	4,000	13.00	5.75	18.75	18.00	6.53	\$ 24.53	\$ 5.78	30.83%
6	5,000	13.00	7.75	20.75	18.00	8.80	\$ 26.80	\$ 6.05	29.16%
7	6,000	13.00	9.75	22.75	18.00	11.07	\$ 29.07	\$ 6.32	27.78%
8	7,000	13.00	11.75	24.75	18.00	13.34	\$ 31.34	\$ 6.59	26.63%
9	8,000	13.00	13.75	26.75	18.00	15.61	\$ 33.61	\$ 6.86	25.64%
10	9,000	13.00	15.75	28.75	18.00	17.88	\$ 35.88	\$ 7.13	24.80%
11	10,000	13.00	18.87	31.87	18.00	21.43	\$ 39.43	\$ 7.56	23.72%
12	11,000	13.00	21.99	34.99	18.00	24.98	\$ 42.98	\$ 7.99	22.84%
13	12,000	13.00	25.11	38.11	18.00	28.53	\$ 46.53	\$ 8.42	22.09%
14	13,000	13.00	28.23	41.23	18.00	32.08	\$ 50.08	\$ 8.85	21.46%
15	14,000	13.00	31.35	44.35	18.00	35.63	\$ 53.63	\$ 9.28	20.92%
16	15,000	13.00	34.47	47.47	18.00	39.18	\$ 57.18	\$ 9.71	20.46%
17	16,000	13.00	37.59	50.59	18.00	42.73	\$ 60.73	\$ 10.14	20.04%
18	17,000	13.00	40.71	53.71	18.00	46.28	\$ 64.28	\$ 10.57	19.68%
19	18,000	13.00	43.83	56.83	18.00	49.83	\$ 67.83	\$ 11.00	19.36%
20	19,000	13.00	46.95	59.95	18.00	53.38	\$ 71.38	\$ 11.43	19.07%
21	20,000	13.00	50.07	63.07	18.00	56.93	\$ 74.93	\$ 11.86	18.80%
22	21,000	13.00	53.19	66.19	18.00	60.48	\$ 78.48	\$ 12.29	18.57%
23	22,000	13.00	56.31	69.31	18.00	64.03	\$ 82.03	\$ 12.72	18.35%
24	23,000	13.00	59.43	72.43	18.00	67.58	\$ 85.58	\$ 13.15	18.16%
25	24,000	13.00	62.55	75.55	18.00	71.13	\$ 89.13	\$ 13.58	17.97%
26	25,000	13.00	65.67	78.67	18.00	74.68	\$ 92.68	\$ 14.01	17.81%
27	26,000	13.00	68.79	81.79	18.00	78.23	\$ 96.23	\$ 14.44	17.65%
28	27,000	13.00	71.91	84.91	18.00	81.78	\$ 99.78	\$ 14.87	17.51%
29	28,000	13.00	75.03	88.03	18.00	85.33	\$ 103.33	\$ 15.30	17.38%
30	29,000	13.00	78.15	91.15	18.00	88.88	\$ 106.88	\$ 15.73	17.26%
31	30,000	13.00	81.27	94.27	18.00	92.43	\$ 110.43	\$ 16.16	17.14%
32	31,000	13.00	84.39	97.39	18.00	95.98	\$ 113.98	\$ 16.59	17.03%
33	32,000	13.00	87.51	100.51	18.00	99.53	\$ 117.53	\$ 17.02	16.93%
34	33,000	13.00	90.63	103.63	18.00	103.08	\$ 121.08	\$ 17.45	16.84%
35	34,000	13.00	93.75	106.75	18.00	106.63	\$ 124.63	\$ 17.88	16.75%
36	35,000	13.00	96.87	109.87	18.00	110.18	\$ 128.18	\$ 18.31	16.67%
37	36,000	13.00	99.99	112.99	18.00	113.73	\$ 131.73	\$ 18.74	16.59%
38	37,000	13.00	103.11	116.11	18.00	117.28	\$ 135.28	\$ 19.17	16.51%
39	38,000	13.00	106.23	119.23	18.00	120.83	\$ 138.83	\$ 19.60	16.44%
40	39,000	13.00	109.35	122.35	18.00	124.38	\$ 142.38	\$ 20.03	16.37%
41	40,000	13.00	112.47	125.47	18.00	127.93	\$ 145.93	\$ 20.46	16.31%
42	41,000	13.00	115.59	128.59	18.00	131.48	\$ 149.48	\$ 20.89	16.25%
43	42,000	13.00	118.71	131.71	18.00	135.03	\$ 153.03	\$ 21.32	16.19%
44	43,000	13.00	121.83	134.83	18.00	138.58	\$ 156.58	\$ 21.75	16.13%
45	44,000	13.00	124.95	137.95	18.00	142.13	\$ 160.13	\$ 22.18	16.08%
46	45,000	13.00	128.07	141.07	18.00	145.68	\$ 163.68	\$ 22.61	16.03%
47	46,000	13.00	131.19	144.19	18.00	149.23	\$ 167.23	\$ 23.04	15.98%
48	47,000	13.00	134.31	147.31	18.00	152.78	\$ 170.78	\$ 23.47	15.93%

49	48,000	13.00	137.43	150.43	18.00	156.33	\$	174.33	\$	23.90	15.89%
50	49,000	13.00	140.55	153.55	18.00	159.88	\$	177.88	\$	24.33	15.85%
51	50,000	13.00	143.67	156.67	18.00	163.43	\$	181.43	\$	24.76	15.80%
52	51,000	13.00	146.79	159.79	18.00	166.98	\$	184.98	\$	25.19	15.76%
53	52,000	13.00	149.91	162.91	18.00	170.53	\$	188.53	\$	25.62	15.73%
54	53,000	13.00	153.03	166.03	18.00	174.08	\$	192.08	\$	26.05	15.69%
55	54,000	13.00	156.15	169.15	18.00	177.63	\$	195.63	\$	26.48	15.65%
56	55,000	13.00	159.27	172.27	18.00	181.18	\$	199.18	\$	26.91	15.62%
57	56,000	13.00	162.39	175.39	18.00	184.73	\$	202.73	\$	27.34	15.59%
58	57,000	13.00	165.51	178.51	18.00	188.28	\$	206.28	\$	27.77	15.56%
59	58,000	13.00	168.63	181.63	18.00	191.83	\$	209.83	\$	28.20	15.53%
60	59,000	13.00	171.75	184.75	18.00	195.38	\$	213.38	\$	28.63	15.50%
61	60,000	13.00	174.87	187.87	18.00	198.93	\$	216.93	\$	29.06	15.47%
62	61,000	13.00	177.99	190.99	18.00	202.48	\$	220.48	\$	29.49	15.44%
63	62,000	13.00	181.11	194.11	18.00	206.03	\$	224.03	\$	29.92	15.41%
64	63,000	13.00	184.23	197.23	18.00	209.58	\$	227.58	\$	30.35	15.39%
65	64,000	13.00	187.35	200.35	18.00	213.13	\$	231.13	\$	30.78	15.36%
66	65,000	13.00	190.47	203.47	18.00	216.68	\$	234.68	\$	31.21	15.34%
67	66,000	13.00	193.59	206.59	18.00	220.23	\$	238.23	\$	31.64	15.32%
68	67,000	13.00	196.71	209.71	18.00	223.78	\$	241.78	\$	32.07	15.29%
69	68,000	13.00	199.83	212.83	18.00	227.33	\$	245.33	\$	32.50	15.27%
70	69,000	13.00	202.95	215.95	18.00	230.88	\$	248.88	\$	32.93	15.25%
71	70,000	13.00	206.07	219.07	18.00	234.43	\$	252.43	\$	33.36	15.23%
72	71,000	13.00	209.19	222.19	18.00	237.98	\$	255.98	\$	33.79	15.21%
73	72,000	13.00	212.31	225.31	18.00	241.53	\$	259.53	\$	34.22	15.19%
74	73,000	13.00	215.43	228.43	18.00	245.08	\$	263.08	\$	34.65	15.17%
75	74,000	13.00	218.55	231.55	18.00	248.63	\$	266.63	\$	35.08	15.15%
76	75,000	13.00	221.67	234.67	18.00	252.18	\$	270.18	\$	35.51	15.13%
77	76,000	13.00	224.79	237.79	18.00	255.73	\$	273.73	\$	35.94	15.11%
78	77,000	13.00	227.91	240.91	18.00	259.28	\$	277.28	\$	36.37	15.10%
79	78,000	13.00	231.03	244.03	18.00	262.83	\$	280.83	\$	36.80	15.08%
80	79,000	13.00	234.15	247.15	18.00	266.38	\$	284.38	\$	37.23	15.06%
81	80,000	13.00	237.27	250.27	18.00	269.93	\$	287.93	\$	37.66	15.05%
82	81,000	13.00	240.39	253.39	18.00	273.48	\$	291.48	\$	38.09	15.03%
83	82,000	13.00	243.51	256.51	18.00	277.03	\$	295.03	\$	38.52	15.02%
84	83,000	13.00	246.63	259.63	18.00	280.58	\$	298.58	\$	38.95	15.00%
85	84,000	13.00	249.75	262.75	18.00	284.13	\$	302.13	\$	39.38	14.99%
86	85,000	13.00	252.87	265.87	18.00	287.68	\$	305.68	\$	39.81	14.97%
87	86,000	13.00	255.99	268.99	18.00	291.23	\$	309.23	\$	40.24	14.96%
88	87,000	13.00	259.11	272.11	18.00	294.78	\$	312.78	\$	40.67	14.95%
89	88,000	13.00	262.23	275.23	18.00	298.33	\$	316.33	\$	41.10	14.93%
90	89,000	13.00	265.35	278.35	18.00	301.88	\$	319.88	\$	41.53	14.92%
91	90,000	13.00	268.47	281.47	18.00	305.43	\$	323.43	\$	41.96	14.91%
92	91,000	13.00	271.59	284.59	18.00	308.98	\$	326.98	\$	42.39	14.90%
93	92,000	13.00	274.71	287.71	18.00	312.53	\$	330.53	\$	42.82	14.88%
94	93,000	13.00	277.83	290.83	18.00	316.08	\$	334.08	\$	43.25	14.87%
95	94,000	13.00	280.95	293.95	18.00	319.63	\$	337.63	\$	43.68	14.86%
96	95,000	13.00	284.07	297.07	18.00	323.18	\$	341.18	\$	44.11	14.85%
97	97,000	13.00	290.31	303.31	18.00	330.28	\$	348.28	\$	44.97	14.83%
98	98,000	13.00	293.43	306.43	18.00	333.83	\$	351.83	\$	45.40	14.82%
99	99,000	13.00	296.55	309.55	18.00	337.38	\$	355.38	\$	45.83	14.81%
100	100,000	13.00	299.67	312.67	18.00	340.93	\$	358.93	\$	46.26	14.80%
101	101,000	13.00	302.79	315.79	18.00	344.48	\$	362.48	\$	46.69	14.79%
102	103,000	13.00	309.03	322.03	18.00	351.58	\$	369.58	\$	47.55	14.77%
103	105,000	13.00	315.27	328.27	18.00	358.68	\$	376.68	\$	48.41	14.75%
104	106,000	13.00	318.39	331.39	18.00	362.23	\$	380.23	\$	48.84	14.74%
105	107,000	13.00	321.51	334.51	18.00	365.78	\$	383.78	\$	49.27	14.73%
106	108,000	13.00	324.63	337.63	18.00	369.33	\$	387.33	\$	49.70	14.72%

107	109,000	13.00	327.75	340.75	18.00	372.88	\$	390.88	\$	50.13	14.71%
108	110,000	13.00	330.87	343.87	18.00	376.43	\$	394.43	\$	50.56	14.70%
109	113,000	13.00	340.23	353.23	18.00	387.08	\$	405.08	\$	51.85	14.68%
110	114,000	13.00	343.35	356.35	18.00	390.63	\$	408.63	\$	52.28	14.67%
111	115,000	13.00	346.47	359.47	18.00	394.18	\$	412.18	\$	52.71	14.66%
112	117,000	13.00	352.71	365.71	18.00	401.28	\$	419.28	\$	53.57	14.65%
113	118,000	13.00	355.83	368.83	18.00	404.83	\$	422.83	\$	54.00	14.64%
114	119,000	13.00	358.95	371.95	18.00	408.38	\$	426.38	\$	54.43	14.63%
115	120,000	13.00	362.07	375.07	18.00	411.93	\$	429.93	\$	54.86	14.63%
116	122,000	13.00	368.31	381.31	18.00	419.03	\$	437.03	\$	55.72	14.61%
117	123,000	13.00	371.43	384.43	18.00	422.58	\$	440.58	\$	56.15	14.61%
118	124,000	13.00	374.55	387.55	18.00	426.13	\$	444.13	\$	56.58	14.60%
119	125,000	13.00	377.67	390.67	18.00	429.68	\$	447.68	\$	57.01	14.59%
120	127,000	13.00	383.91	396.91	18.00	436.78	\$	454.78	\$	57.87	14.58%
121	128,000	13.00	387.03	400.03	18.00	440.33	\$	458.33	\$	58.30	14.57%
122	129,000	13.00	390.15	403.15	18.00	443.88	\$	461.88	\$	58.73	14.57%
123	131,000	13.00	396.39	409.39	18.00	450.98	\$	468.98	\$	59.59	14.56%
124	132,000	13.00	399.51	412.51	18.00	454.53	\$	472.53	\$	60.02	14.55%
125	133,000	13.00	402.63	415.63	18.00	458.08	\$	476.08	\$	60.45	14.54%
126	138,000	13.00	418.23	431.23	18.00	475.83	\$	493.83	\$	62.60	14.52%
127	143,000	13.00	433.83	446.83	18.00	493.58	\$	511.58	\$	64.75	14.49%
128	145,000	13.00	440.07	453.07	18.00	500.68	\$	518.68	\$	65.61	14.48%
129	151,000	13.00	458.79	471.79	18.00	521.98	\$	539.98	\$	68.19	14.45%
130	153,000	13.00	465.03	478.03	18.00	529.08	\$	547.08	\$	69.05	14.44%
131	156,000	13.00	474.39	487.39	18.00	539.73	\$	557.73	\$	70.34	14.43%
132	161,000	13.00	489.99	502.99	18.00	557.48	\$	575.48	\$	72.49	14.41%
133	163,000	13.00	496.23	509.23	18.00	564.58	\$	582.58	\$	73.35	14.40%
134	173,000	13.00	527.43	540.43	18.00	600.08	\$	618.08	\$	77.65	14.37%
135	174,000	13.00	530.55	543.55	18.00	603.63	\$	621.63	\$	78.08	14.36%
136	184,000	13.00	561.75	574.75	18.00	639.13	\$	657.13	\$	82.38	14.33%
137	188,000	13.00	574.23	587.23	18.00	653.33	\$	671.33	\$	84.10	14.32%
138	214,000	13.00	655.35	668.35	18.00	745.63	\$	763.63	\$	95.28	14.26%
139	231,000	13.00	708.39	721.39	18.00	805.98	\$	823.98	\$	102.59	14.22%
140	281,000	13.00	864.39	877.39	18.00	983.48	\$	1,001.48	\$	124.09	14.14%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

1" Residential Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	35.00	-	35.00	47.00	-	\$ 47.00	\$ 12.00	34.29%
2	1,000	35.00	2.00	37.00	47.00	2.27	\$ 49.27	\$ 12.27	33.16%
3	2,000	35.00	4.00	39.00	47.00	4.54	\$ 51.54	\$ 12.54	32.15%
4	3,000	35.00	6.00	41.00	47.00	6.81	\$ 53.81	\$ 12.81	31.24%
5	4,000	35.00	8.00	43.00	47.00	9.08	\$ 56.08	\$ 13.08	30.42%
6	5,000	35.00	10.00	45.00	47.00	11.35	\$ 58.35	\$ 13.35	29.67%
7	6,000	35.00	12.00	47.00	47.00	13.62	\$ 60.62	\$ 13.62	28.98%
8	7,000	35.00	14.00	49.00	47.00	15.89	\$ 62.89	\$ 13.89	28.35%
9	8,000	35.00	16.00	51.00	47.00	18.16	\$ 65.16	\$ 14.16	27.76%
10	9,000	35.00	18.00	53.00	47.00	20.43	\$ 67.43	\$ 14.43	27.23%
11	10,000	35.00	20.00	55.00	47.00	22.70	\$ 69.70	\$ 14.70	26.73%
12	11,000	35.00	22.00	57.00	47.00	24.97	\$ 71.97	\$ 14.97	26.26%
13	12,000	35.00	24.00	59.00	47.00	27.24	\$ 74.24	\$ 15.24	25.83%
14	13,000	35.00	26.00	61.00	47.00	29.51	\$ 76.51	\$ 15.51	25.43%
15	14,000	35.00	28.00	63.00	47.00	31.78	\$ 78.78	\$ 15.78	25.05%
16	15,000	35.00	30.00	65.00	47.00	34.05	\$ 81.05	\$ 16.05	24.69%
17	16,000	35.00	32.00	67.00	47.00	36.32	\$ 83.32	\$ 16.32	24.36%
18	17,000	35.00	34.00	69.00	47.00	38.59	\$ 85.59	\$ 16.59	24.04%
19	18,000	35.00	36.00	71.00	47.00	40.86	\$ 87.86	\$ 16.86	23.75%
20	19,000	35.00	38.00	73.00	47.00	43.13	\$ 90.13	\$ 17.13	23.47%
21	20,000	35.00	40.00	75.00	47.00	45.40	\$ 92.40	\$ 17.40	23.20%
22	21,000	35.00	42.00	77.00	47.00	47.67	\$ 94.67	\$ 17.67	22.95%
23	22,000	35.00	44.00	79.00	47.00	49.94	\$ 96.94	\$ 17.94	22.71%
24	23,000	35.00	46.00	81.00	47.00	52.21	\$ 99.21	\$ 18.21	22.48%
25	24,000	35.00	48.00	83.00	47.00	54.48	\$ 101.48	\$ 18.48	22.27%
26	25,000	35.00	50.00	85.00	47.00	56.75	\$ 103.75	\$ 18.75	22.06%
27	26,000	35.00	53.12	88.12	47.00	60.30	\$ 107.30	\$ 19.18	21.77%
28	27,000	35.00	56.24	91.24	47.00	63.85	\$ 110.85	\$ 19.61	21.49%
29	28,000	35.00	59.36	94.36	47.00	67.40	\$ 114.40	\$ 20.04	21.24%
30	29,000	35.00	62.48	97.48	47.00	70.95	\$ 117.95	\$ 20.47	21.00%
31	30,000	35.00	65.60	100.60	47.00	74.50	\$ 121.50	\$ 20.90	20.78%
32	31,000	35.00	68.72	103.72	47.00	78.05	\$ 125.05	\$ 21.33	20.56%
33	32,000	35.00	71.84	106.84	47.00	81.60	\$ 128.60	\$ 21.76	20.37%
34	33,000	35.00	74.96	109.96	47.00	85.15	\$ 132.15	\$ 22.19	20.18%
35	34,000	35.00	78.08	113.08	47.00	88.70	\$ 135.70	\$ 22.62	20.00%
36	35,000	35.00	81.20	116.20	47.00	92.25	\$ 139.25	\$ 23.05	19.84%
37	36,000	35.00	84.32	119.32	47.00	95.80	\$ 142.80	\$ 23.48	19.68%
38	37,000	35.00	87.44	122.44	47.00	99.35	\$ 146.35	\$ 23.91	19.53%
39	38,000	35.00	90.56	125.56	47.00	102.90	\$ 149.90	\$ 24.34	19.39%
40	39,000	35.00	93.68	128.68	47.00	106.45	\$ 153.45	\$ 24.77	19.25%

41	40,000	35.00	96.80	131.80	47.00	110.00	\$ 157.00	\$ 25.20	19.12%
42	41,000	35.00	99.92	134.92	47.00	113.55	\$ 160.55	\$ 25.63	19.00%
43	42,000	35.00	103.04	138.04	47.00	117.10	\$ 164.10	\$ 26.06	18.88%
44	43,000	35.00	106.16	141.16	47.00	120.65	\$ 167.65	\$ 26.49	18.77%
45	44,000	35.00	109.28	144.28	47.00	124.20	\$ 171.20	\$ 26.92	18.66%
46	45,000	35.00	112.40	147.40	47.00	127.75	\$ 174.75	\$ 27.35	18.55%
47	46,000	35.00	115.52	150.52	47.00	131.30	\$ 178.30	\$ 27.78	18.46%
48	48,000	35.00	121.76	156.76	47.00	138.40	\$ 185.40	\$ 28.64	18.27%
49	49,000	35.00	124.88	159.88	47.00	141.95	\$ 188.95	\$ 29.07	18.18%
50	50,000	35.00	128.00	163.00	47.00	145.50	\$ 192.50	\$ 29.50	18.10%
51	51,000	35.00	131.12	166.12	47.00	149.05	\$ 196.05	\$ 29.93	18.02%
52	52,000	35.00	134.24	169.24	47.00	152.60	\$ 199.60	\$ 30.36	17.94%
53	53,000	35.00	137.36	172.36	47.00	156.15	\$ 203.15	\$ 30.79	17.86%
54	54,000	35.00	140.48	175.48	47.00	159.70	\$ 206.70	\$ 31.22	17.79%
55	55,000	35.00	143.60	178.60	47.00	163.25	\$ 210.25	\$ 31.65	17.72%
56	56,000	35.00	146.72	181.72	47.00	166.80	\$ 213.80	\$ 32.08	17.65%
57	57,000	35.00	149.84	184.84	47.00	170.35	\$ 217.35	\$ 32.51	17.59%
58	58,000	35.00	152.96	187.96	47.00	173.90	\$ 220.90	\$ 32.94	17.53%
59	59,000	35.00	156.08	191.08	47.00	177.45	\$ 224.45	\$ 33.37	17.46%
60	60,000	35.00	159.20	194.20	47.00	181.00	\$ 228.00	\$ 33.80	17.40%
61	61,000	35.00	162.32	197.32	47.00	184.55	\$ 231.55	\$ 34.23	17.35%
62	62,000	35.00	165.44	200.44	47.00	188.10	\$ 235.10	\$ 34.66	17.29%
63	63,000	35.00	168.56	203.56	47.00	191.65	\$ 238.65	\$ 35.09	17.24%
64	64,000	35.00	171.68	206.68	47.00	195.20	\$ 242.20	\$ 35.52	17.19%
65	65,000	35.00	174.80	209.80	47.00	198.75	\$ 245.75	\$ 35.95	17.14%
66	68,000	35.00	184.16	219.16	47.00	209.40	\$ 256.40	\$ 37.24	16.99%
67	70,000	35.00	190.40	225.40	47.00	216.50	\$ 263.50	\$ 38.10	16.90%
68	71,000	35.00	193.52	228.52	47.00	220.05	\$ 267.05	\$ 38.53	16.86%
69	72,000	35.00	196.64	231.64	47.00	223.60	\$ 270.60	\$ 38.96	16.82%
70	73,000	35.00	199.76	234.76	47.00	227.15	\$ 274.15	\$ 39.39	16.78%
71	74,000	35.00	202.88	237.88	47.00	230.70	\$ 277.70	\$ 39.82	16.74%
72	75,000	35.00	206.00	241.00	47.00	234.25	\$ 281.25	\$ 40.25	16.70%
73	76,000	35.00	209.12	244.12	47.00	237.80	\$ 284.80	\$ 40.68	16.66%
74	78,000	35.00	215.36	250.36	47.00	244.90	\$ 291.90	\$ 41.54	16.59%
75	80,000	35.00	221.60	256.60	47.00	252.00	\$ 299.00	\$ 42.40	16.52%
76	81,000	35.00	224.72	259.72	47.00	255.55	\$ 302.55	\$ 42.83	16.49%
77	84,000	35.00	234.08	269.08	47.00	266.20	\$ 313.20	\$ 44.12	16.40%
78	86,000	35.00	240.32	275.32	47.00	273.30	\$ 320.30	\$ 44.98	16.34%
79	87,000	35.00	243.44	278.44	47.00	276.85	\$ 323.85	\$ 45.41	16.31%
80	91,000	35.00	255.92	290.92	47.00	291.05	\$ 338.05	\$ 47.13	16.20%
81	92,000	35.00	259.04	294.04	47.00	294.60	\$ 341.60	\$ 47.56	16.17%
82	99,000	35.00	280.88	315.88	47.00	319.45	\$ 366.45	\$ 50.57	16.01%
83	100,000	35.00	284.00	319.00	47.00	323.00	\$ 370.00	\$ 51.00	15.99%
84	108,000	35.00	308.96	343.96	47.00	351.40	\$ 398.40	\$ 54.44	15.83%
85	111,000	35.00	318.32	353.32	47.00	362.05	\$ 409.05	\$ 55.73	15.77%
86	112,000	35.00	321.44	356.44	47.00	365.60	\$ 412.60	\$ 56.16	15.76%
87	113,000	35.00	324.56	359.56	47.00	369.15	\$ 416.15	\$ 56.59	15.74%
88	124,000	35.00	358.88	393.88	47.00	408.20	\$ 455.20	\$ 61.32	15.57%
89	167,000	35.00	493.04	528.04	47.00	560.85	\$ 607.85	\$ 79.81	15.11%
90	183,000	35.00	542.96	577.96	47.00	617.65	\$ 664.65	\$ 86.69	15.00%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
1.5" Residential Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	70.00	-	70.00	95.00	-	\$ 95.00	\$ 25.00	35.71%
2	1,000	70.00	2.00	72.00	95.00	2.27	\$ 97.27	\$ 25.27	35.10%
3	4,000	70.00	8.00	78.00	95.00	9.08	\$ 104.08	\$ 26.08	33.44%
4	8,000	70.00	16.00	86.00	95.00	18.16	\$ 113.16	\$ 27.16	31.58%
5	9,000	70.00	18.00	88.00	95.00	20.43	\$ 115.43	\$ 27.43	31.17%
6	10,000	70.00	20.00	90.00	95.00	22.70	\$ 117.70	\$ 27.70	30.78%
7	11,000	70.00	22.00	92.00	95.00	24.97	\$ 119.97	\$ 27.97	30.40%
8	12,000	70.00	24.00	94.00	95.00	27.24	\$ 122.24	\$ 28.24	30.04%
9	14,000	70.00	28.00	98.00	95.00	31.78	\$ 126.78	\$ 28.78	29.37%
10	18,000	70.00	36.00	106.00	95.00	40.86	\$ 135.86	\$ 29.86	28.17%
11	26,000	70.00	52.00	122.00	95.00	59.02	\$ 154.02	\$ 32.02	26.25%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
2" Residential Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	112.00	-	112.00	151.00	-	\$ 151.00	\$ 39.00	34.82%
2	3,000	112.00	6.00	118.00	151.00	6.81	\$ 157.81	\$ 39.81	33.74%
3	4,000	112.00	8.00	120.00	151.00	9.08	\$ 160.08	\$ 40.08	33.40%
4	5,000	112.00	10.00	122.00	151.00	11.35	\$ 162.35	\$ 40.35	33.07%
5	6,000	112.00	12.00	124.00	151.00	13.62	\$ 164.62	\$ 40.62	32.76%
6	7,000	112.00	14.00	126.00	151.00	15.89	\$ 166.89	\$ 40.89	32.45%
7	8,000	112.00	16.00	128.00	151.00	18.16	\$ 169.16	\$ 41.16	32.16%
8	9,000	112.00	18.00	130.00	151.00	20.43	\$ 171.43	\$ 41.43	31.87%
9	10,000	112.00	20.00	132.00	151.00	22.70	\$ 173.70	\$ 41.70	31.59%
10	11,000	112.00	22.00	134.00	151.00	24.97	\$ 175.97	\$ 41.97	31.32%
11	12,000	112.00	24.00	136.00	151.00	27.24	\$ 178.24	\$ 42.24	31.06%
12	13,000	112.00	26.00	138.00	151.00	29.51	\$ 180.51	\$ 42.51	30.80%
13	14,000	112.00	28.00	140.00	151.00	31.78	\$ 182.78	\$ 42.78	30.56%
14	15,000	112.00	30.00	142.00	151.00	34.05	\$ 185.05	\$ 43.05	30.32%
15	16,000	112.00	32.00	144.00	151.00	36.32	\$ 187.32	\$ 43.32	30.08%
16	17,000	112.00	34.00	146.00	151.00	38.59	\$ 189.59	\$ 43.59	29.86%
17	18,000	112.00	36.00	148.00	151.00	40.86	\$ 191.86	\$ 43.86	29.64%
18	19,000	112.00	38.00	150.00	151.00	43.13	\$ 194.13	\$ 44.13	29.42%
19	20,000	112.00	40.00	152.00	151.00	45.40	\$ 196.40	\$ 44.40	29.21%
20	21,000	112.00	42.00	154.00	151.00	47.67	\$ 198.67	\$ 44.67	29.01%
21	22,000	112.00	44.00	156.00	151.00	49.94	\$ 200.94	\$ 44.94	28.81%
22	23,000	112.00	46.00	158.00	151.00	52.21	\$ 203.21	\$ 45.21	28.61%
23	24,000	112.00	48.00	160.00	151.00	54.48	\$ 205.48	\$ 45.48	28.43%
24	25,000	112.00	50.00	162.00	151.00	56.75	\$ 207.75	\$ 45.75	28.24%
25	26,000	112.00	52.00	164.00	151.00	59.02	\$ 210.02	\$ 46.02	28.06%
26	27,000	112.00	54.00	166.00	151.00	61.29	\$ 212.29	\$ 46.29	27.89%
27	28,000	112.00	56.00	168.00	151.00	63.56	\$ 214.56	\$ 46.56	27.71%
28	29,000	112.00	58.00	170.00	151.00	65.83	\$ 216.83	\$ 46.83	27.55%
29	30,000	112.00	60.00	172.00	151.00	68.10	\$ 219.10	\$ 47.10	27.38%
30	31,000	112.00	62.00	174.00	151.00	70.37	\$ 221.37	\$ 47.37	27.22%
31	32,000	112.00	64.00	176.00	151.00	72.64	\$ 223.64	\$ 47.64	27.07%
32	33,000	112.00	66.00	178.00	151.00	74.91	\$ 225.91	\$ 47.91	26.92%
33	34,000	112.00	68.00	180.00	151.00	77.18	\$ 228.18	\$ 48.18	26.77%
34	36,000	112.00	72.00	184.00	151.00	81.72	\$ 232.72	\$ 48.72	26.48%
35	38,000	112.00	76.00	188.00	151.00	86.26	\$ 237.26	\$ 49.26	26.20%
36	39,000	112.00	78.00	190.00	151.00	88.53	\$ 239.53	\$ 49.53	26.07%
37	41,000	112.00	82.00	194.00	151.00	93.07	\$ 244.07	\$ 50.07	25.81%
38	42,000	112.00	84.00	196.00	151.00	95.34	\$ 246.34	\$ 50.34	25.68%
39	43,000	112.00	86.00	198.00	151.00	97.61	\$ 248.61	\$ 50.61	25.56%
40	44,000	112.00	88.00	200.00	151.00	99.88	\$ 250.88	\$ 50.88	25.44%
41	45,000	112.00	90.00	202.00	151.00	102.15	\$ 253.15	\$ 51.15	25.32%
42	46,000	112.00	92.00	204.00	151.00	104.42	\$ 255.42	\$ 51.42	25.21%
43	47,000	112.00	94.00	206.00	151.00	106.69	\$ 257.69	\$ 51.69	25.09%
44	50,000	112.00	100.00	212.00	151.00	113.50	\$ 264.50	\$ 52.50	24.76%

45	51,000	112.00	102.00	214.00	151.00	115.77	\$	266.77	\$	52.77	24.66%
46	52,000	112.00	104.00	216.00	151.00	118.04	\$	269.04	\$	53.04	24.56%
47	53,000	112.00	106.00	218.00	151.00	120.31	\$	271.31	\$	53.31	24.45%
48	54,000	112.00	108.00	220.00	151.00	122.58	\$	273.58	\$	53.58	24.35%
49	55,000	112.00	110.00	222.00	151.00	124.85	\$	275.85	\$	53.85	24.26%
50	58,000	112.00	116.00	228.00	151.00	131.66	\$	282.66	\$	54.66	23.97%
51	59,000	112.00	118.00	230.00	151.00	133.93	\$	284.93	\$	54.93	23.88%
52	60,000	112.00	120.00	232.00	151.00	136.20	\$	287.20	\$	55.20	23.79%
53	64,000	112.00	128.00	240.00	151.00	145.28	\$	296.28	\$	56.28	23.45%
54	65,000	112.00	130.00	242.00	151.00	147.55	\$	298.55	\$	56.55	23.37%
55	66,000	112.00	132.00	244.00	151.00	149.82	\$	300.82	\$	56.82	23.29%
56	68,000	112.00	136.00	248.00	151.00	154.36	\$	305.36	\$	57.36	23.13%
57	69,000	112.00	138.00	250.00	151.00	156.63	\$	307.63	\$	57.63	23.05%
58	70,000	112.00	140.00	252.00	151.00	158.90	\$	309.90	\$	57.90	22.98%
59	72,000	112.00	144.00	256.00	151.00	163.44	\$	314.44	\$	58.44	22.83%
60	75,000	112.00	150.00	262.00	151.00	170.25	\$	321.25	\$	59.25	22.61%
61	77,000	112.00	154.00	266.00	151.00	174.79	\$	325.79	\$	59.79	22.48%
62	78,000	112.00	156.00	268.00	151.00	177.06	\$	328.06	\$	60.06	22.41%
63	81,000	112.00	163.12	275.12	151.00	185.15	\$	336.15	\$	61.03	22.18%
64	84,000	112.00	172.48	284.48	151.00	195.80	\$	346.80	\$	62.32	21.91%
65	85,000	112.00	175.60	287.60	151.00	199.35	\$	350.35	\$	62.75	21.82%
66	87,000	112.00	181.84	293.84	151.00	206.45	\$	357.45	\$	63.61	21.65%
67	90,000	112.00	191.20	303.20	151.00	217.10	\$	368.10	\$	64.90	21.41%
68	96,000	112.00	209.92	321.92	151.00	238.40	\$	389.40	\$	67.48	20.96%
69	99,000	112.00	219.28	331.28	151.00	249.05	\$	400.05	\$	68.77	20.76%
70	100,000	112.00	222.40	334.40	151.00	252.60	\$	403.60	\$	69.20	20.69%
71	103,000	112.00	231.76	343.76	151.00	263.25	\$	414.25	\$	70.49	20.51%
72	104,000	112.00	234.88	346.88	151.00	266.80	\$	417.80	\$	70.92	20.45%
73	107,000	112.00	244.24	356.24	151.00	277.45	\$	428.45	\$	72.21	20.27%
74	108,000	112.00	247.36	359.36	151.00	281.00	\$	432.00	\$	72.64	20.21%
75	109,000	112.00	250.48	362.48	151.00	284.55	\$	435.55	\$	73.07	20.16%
76	111,000	112.00	256.72	368.72	151.00	291.65	\$	442.65	\$	73.93	20.05%
77	136,000	112.00	334.72	446.72	151.00	380.40	\$	531.40	\$	84.68	18.96%
78	141,000	112.00	350.32	462.32	151.00	398.15	\$	549.15	\$	86.83	18.78%
79	150,000	112.00	378.40	490.40	151.00	430.10	\$	581.10	\$	90.70	18.50%
80	161,000	112.00	412.72	524.72	151.00	469.15	\$	620.15	\$	95.43	18.19%
81	164,000	112.00	422.08	534.08	151.00	479.80	\$	630.80	\$	96.72	18.11%
82	167,000	112.00	431.44	543.44	151.00	490.45	\$	641.45	\$	98.01	18.04%
83	174,000	112.00	453.28	565.28	151.00	515.30	\$	666.30	\$	101.02	17.87%
84	202,000	112.00	540.64	652.64	151.00	614.70	\$	765.70	\$	113.06	17.32%
85	205,000	112.00	550.00	662.00	151.00	625.35	\$	776.35	\$	114.35	17.27%
86	208,000	112.00	559.36	671.36	151.00	636.00	\$	787.00	\$	115.64	17.22%
87	209,000	112.00	562.48	674.48	151.00	639.55	\$	790.55	\$	116.07	17.21%
88	216,000	112.00	584.32	696.32	151.00	664.40	\$	815.40	\$	119.08	17.10%
89	242,000	112.00	665.44	777.44	151.00	756.70	\$	907.70	\$	130.26	16.75%
90	244,000	112.00	671.68	783.68	151.00	763.80	\$	914.80	\$	131.12	16.73%
91	258,000	112.00	715.36	827.36	151.00	813.50	\$	964.50	\$	137.14	16.58%
92	259,000	112.00	718.48	830.48	151.00	817.05	\$	968.05	\$	137.57	16.57%
93	285,000	112.00	799.60	911.60	151.00	909.35	\$	1,060.35	\$	148.75	16.32%
94	304,000	112.00	858.88	970.88	151.00	976.80	\$	1,127.80	\$	156.92	16.16%
95	320,000	112.00	908.80	1,020.80	151.00	1,033.60	\$	1,184.60	\$	163.80	16.05%
96	327,000	112.00	930.64	1,042.64	151.00	1,058.45	\$	1,209.45	\$	166.81	16.00%
97	375,000	112.00	1,080.40	1,192.40	151.00	1,228.85	\$	1,379.85	\$	187.45	15.72%
98	407,000	112.00	1,180.24	1,292.24	151.00	1,342.45	\$	1,493.45	\$	201.21	15.57%

99	408,000	112.00	1,183.36	1,295.36	151.00	1,346.00	\$ 1,497.00	\$ 201.64	15.57%
100	411,000	112.00	1,192.72	1,304.72	151.00	1,356.65	\$ 1,507.65	\$ 202.93	15.55%
101	417,000	112.00	1,211.44	1,323.44	151.00	1,377.95	\$ 1,528.95	\$ 205.51	15.53%
102	459,000	112.00	1,342.48	1,454.48	151.00	1,527.05	\$ 1,678.05	\$ 223.57	15.37%
103	473,000	112.00	1,386.16	1,498.16	151.00	1,576.75	\$ 1,727.75	\$ 229.59	15.32%
104	504,000	112.00	1,482.88	1,594.88	151.00	1,686.80	\$ 1,837.80	\$ 242.92	15.23%
105	512,000	112.00	1,507.84	1,619.84	151.00	1,715.20	\$ 1,866.20	\$ 246.36	15.21%
106	562,000	112.00	1,663.84	1,775.84	151.00	1,892.70	\$ 2,043.70	\$ 267.86	15.08%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
3" Residential Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	224.00	-	224.00	302.00	-	\$ 302.00	\$ 78.00	34.82%
2	3,000	224.00	6.00	230.00	302.00	6.81	\$ 308.81	\$ 78.81	34.27%
3	6,000	224.00	12.00	236.00	302.00	13.62	\$ 315.62	\$ 79.62	33.74%
4	9,000	224.00	18.00	242.00	302.00	20.43	\$ 322.43	\$ 80.43	33.24%
5	620,000	224.00	1,749.60	1,973.60	302.00	1,989.80	\$ 2,291.80	\$ 318.20	16.12%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
6" Residential Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	700.00	-	700.00	945.00	-	\$ 945.00	\$ 245.00	35.00%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
5/8" Commercial Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	13.00	-	13.00	18.00	-	\$ 18.00	\$ 5.00	38.46%
2	1,000	13.00	2.00	15.00	18.00	2.27	\$ 20.27	\$ 5.27	35.13%
3	2,000	13.00	4.00	17.00	18.00	4.54	\$ 22.54	\$ 5.54	32.59%
4	3,000	13.00	6.00	19.00	18.00	6.81	\$ 24.81	\$ 5.81	30.58%
5	4,000	13.00	8.00	21.00	18.00	9.08	\$ 27.08	\$ 6.08	28.95%
6	5,000	13.00	10.00	23.00	18.00	11.35	\$ 29.35	\$ 6.35	27.61%
7	6,000	13.00	12.00	25.00	18.00	13.62	\$ 31.62	\$ 6.62	26.48%
8	7,000	13.00	14.00	27.00	18.00	15.89	\$ 33.89	\$ 6.89	25.52%
9	8,000	13.00	16.00	29.00	18.00	18.16	\$ 36.16	\$ 7.16	24.69%
10	9,000	13.00	18.00	31.00	18.00	20.43	\$ 38.43	\$ 7.43	23.97%
11	10,000	13.00	21.12	34.12	18.00	23.98	\$ 41.98	\$ 7.86	23.04%
12	11,000	13.00	24.24	37.24	18.00	27.53	\$ 45.53	\$ 8.29	22.26%
13	12,000	13.00	27.36	40.36	18.00	31.08	\$ 49.08	\$ 8.72	21.61%
14	13,000	13.00	30.48	43.48	18.00	34.63	\$ 52.63	\$ 9.15	21.04%
15	14,000	13.00	33.60	46.60	18.00	38.18	\$ 56.18	\$ 9.58	20.56%
16	15,000	13.00	36.72	49.72	18.00	41.73	\$ 59.73	\$ 10.01	20.13%
17	16,000	13.00	39.84	52.84	18.00	45.28	\$ 63.28	\$ 10.44	19.76%
18	17,000	13.00	42.96	55.96	18.00	48.83	\$ 66.83	\$ 10.87	19.42%
19	18,000	13.00	46.08	59.08	18.00	52.38	\$ 70.38	\$ 11.30	19.13%
20	19,000	13.00	49.20	62.20	18.00	55.93	\$ 73.93	\$ 11.73	18.86%
21	20,000	13.00	52.32	65.32	18.00	59.48	\$ 77.48	\$ 12.16	18.62%
22	21,000	13.00	55.44	68.44	18.00	63.03	\$ 81.03	\$ 12.59	18.40%
23	22,000	13.00	58.56	71.56	18.00	66.58	\$ 84.58	\$ 13.02	18.19%
24	23,000	13.00	61.68	74.68	18.00	70.13	\$ 88.13	\$ 13.45	18.01%
25	24,000	13.00	64.80	77.80	18.00	73.68	\$ 91.68	\$ 13.88	17.84%
26	25,000	13.00	67.92	80.92	18.00	77.23	\$ 95.23	\$ 14.31	17.68%
27	26,000	13.00	71.04	84.04	18.00	80.78	\$ 98.78	\$ 14.74	17.54%
28	27,000	13.00	74.16	87.16	18.00	84.33	\$ 102.33	\$ 15.17	17.40%
29	28,000	13.00	77.28	90.28	18.00	87.88	\$ 105.88	\$ 15.60	17.28%
30	29,000	13.00	80.40	93.40	18.00	91.43	\$ 109.43	\$ 16.03	17.16%
31	30,000	13.00	83.52	96.52	18.00	94.98	\$ 112.98	\$ 16.46	17.05%
32	31,000	13.00	86.64	99.64	18.00	98.53	\$ 116.53	\$ 16.89	16.95%
33	32,000	13.00	89.76	102.76	18.00	102.08	\$ 120.08	\$ 17.32	16.85%
34	33,000	13.00	92.88	105.88	18.00	105.63	\$ 123.63	\$ 17.75	16.76%
35	34,000	13.00	96.00	109.00	18.00	109.18	\$ 127.18	\$ 18.18	16.68%
36	35,000	13.00	99.12	112.12	18.00	112.73	\$ 130.73	\$ 18.61	16.60%
37	36,000	13.00	102.24	115.24	18.00	116.28	\$ 134.28	\$ 19.04	16.52%
38	37,000	13.00	105.36	118.36	18.00	119.83	\$ 137.83	\$ 19.47	16.45%
39	38,000	13.00	108.48	121.48	18.00	123.38	\$ 141.38	\$ 19.90	16.38%
40	39,000	13.00	111.60	124.60	18.00	126.93	\$ 144.93	\$ 20.33	16.32%
41	40,000	13.00	114.72	127.72	18.00	130.48	\$ 148.48	\$ 20.76	16.25%

42	41,000	13.00	117.84	130.84	18.00	134.03	\$	152.03	\$	21.19	16.20%
43	42,000	13.00	120.96	133.96	18.00	137.58	\$	155.58	\$	21.62	16.14%
44	43,000	13.00	124.08	137.08	18.00	141.13	\$	159.13	\$	22.05	16.09%
45	44,000	13.00	127.20	140.20	18.00	144.68	\$	162.68	\$	22.48	16.03%
46	45,000	13.00	130.32	143.32	18.00	148.23	\$	166.23	\$	22.91	15.99%
47	46,000	13.00	133.44	146.44	18.00	151.78	\$	169.78	\$	23.34	15.94%
48	47,000	13.00	136.56	149.56	18.00	155.33	\$	173.33	\$	23.77	15.89%
49	48,000	13.00	139.68	152.68	18.00	158.88	\$	176.88	\$	24.20	15.85%
50	49,000	13.00	142.80	155.80	18.00	162.43	\$	180.43	\$	24.63	15.81%
51	50,000	13.00	145.92	158.92	18.00	165.98	\$	183.98	\$	25.06	15.77%
52	51,000	13.00	149.04	162.04	18.00	169.53	\$	187.53	\$	25.49	15.73%
53	52,000	13.00	152.16	165.16	18.00	173.08	\$	191.08	\$	25.92	15.69%
54	53,000	13.00	155.28	168.28	18.00	176.63	\$	194.63	\$	26.35	15.66%
55	54,000	13.00	158.40	171.40	18.00	180.18	\$	198.18	\$	26.78	15.62%
56	55,000	13.00	161.52	174.52	18.00	183.73	\$	201.73	\$	27.21	15.59%
57	56,000	13.00	164.64	177.64	18.00	187.28	\$	205.28	\$	27.64	15.56%
58	57,000	13.00	167.76	180.76	18.00	190.83	\$	208.83	\$	28.07	15.53%
59	58,000	13.00	170.88	183.88	18.00	194.38	\$	212.38	\$	28.50	15.50%
60	61,000	13.00	180.24	193.24	18.00	205.03	\$	223.03	\$	29.79	15.42%
61	62,000	13.00	183.36	196.36	18.00	208.58	\$	226.58	\$	30.22	15.39%
62	63,000	13.00	186.48	199.48	18.00	212.13	\$	230.13	\$	30.65	15.36%
63	65,000	13.00	192.72	205.72	18.00	219.23	\$	237.23	\$	31.51	15.32%
64	66,000	13.00	195.84	208.84	18.00	222.78	\$	240.78	\$	31.94	15.29%
65	71,000	13.00	211.44	224.44	18.00	240.53	\$	258.53	\$	34.09	15.19%
66	76,000	13.00	227.04	240.04	18.00	258.28	\$	276.28	\$	36.24	15.10%
67	78,000	13.00	233.28	246.28	18.00	265.38	\$	283.38	\$	37.10	15.06%
68	79,000	13.00	236.40	249.40	18.00	268.93	\$	286.93	\$	37.53	15.05%
69	85,000	13.00	255.12	268.12	18.00	290.23	\$	308.23	\$	40.11	14.96%
70	86,000	13.00	258.24	271.24	18.00	293.78	\$	311.78	\$	40.54	14.95%
71	87,000	13.00	261.36	274.36	18.00	297.33	\$	315.33	\$	40.97	14.93%
72	88,000	13.00	264.48	277.48	18.00	300.88	\$	318.88	\$	41.40	14.92%
73	90,000	13.00	270.72	283.72	18.00	307.98	\$	325.98	\$	42.26	14.89%
74	91,000	13.00	273.84	286.84	18.00	311.53	\$	329.53	\$	42.69	14.88%
75	92,000	13.00	276.96	289.96	18.00	315.08	\$	333.08	\$	43.12	14.87%
76	93,000	13.00	280.08	293.08	18.00	318.63	\$	336.63	\$	43.55	14.86%
77	94,000	13.00	283.20	296.20	18.00	322.18	\$	340.18	\$	43.98	14.85%
78	96,000	13.00	289.44	302.44	18.00	329.28	\$	347.28	\$	44.84	14.83%
79	97,000	13.00	292.56	305.56	18.00	332.83	\$	350.83	\$	45.27	14.82%
80	98,000	13.00	295.68	308.68	18.00	336.38	\$	354.38	\$	45.70	14.80%
81	101,000	13.00	305.04	318.04	18.00	347.03	\$	365.03	\$	46.99	14.77%
82	105,000	13.00	317.52	330.52	18.00	361.23	\$	379.23	\$	48.71	14.74%
83	108,000	13.00	326.88	339.88	18.00	371.88	\$	389.88	\$	50.00	14.71%
84	111,000	13.00	336.24	349.24	18.00	382.53	\$	400.53	\$	51.29	14.69%
85	132,000	13.00	401.76	414.76	18.00	457.08	\$	475.08	\$	60.32	14.54%
86	136,000	13.00	414.24	427.24	18.00	471.28	\$	489.28	\$	62.04	14.52%
87	139,000	13.00	423.60	436.60	18.00	481.93	\$	499.93	\$	63.33	14.51%
88	145,000	13.00	442.32	455.32	18.00	503.23	\$	521.23	\$	65.91	14.48%
89	152,000	13.00	464.16	477.16	18.00	528.08	\$	546.08	\$	68.92	14.44%
90	159,000	13.00	486.00	499.00	18.00	552.93	\$	570.93	\$	71.93	14.41%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
1" Commercial Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	35.00	-	35.00	47.00	-	\$ 47.00	\$ 12.00	34.29%
2	1,000	35.00	2.00	37.00	47.00	2.27	\$ 49.27	\$ 12.27	33.16%
3	2,000	35.00	4.00	39.00	47.00	4.54	\$ 51.54	\$ 12.54	32.15%
4	3,000	35.00	6.00	41.00	47.00	6.81	\$ 53.81	\$ 12.81	31.24%
5	4,000	35.00	8.00	43.00	47.00	9.08	\$ 56.08	\$ 13.08	30.42%
6	5,000	35.00	10.00	45.00	47.00	11.35	\$ 58.35	\$ 13.35	29.67%
7	6,000	35.00	12.00	47.00	47.00	13.62	\$ 60.62	\$ 13.62	28.98%
8	7,000	35.00	14.00	49.00	47.00	15.89	\$ 62.89	\$ 13.89	28.35%
9	8,000	35.00	16.00	51.00	47.00	18.16	\$ 65.16	\$ 14.16	27.76%
10	9,000	35.00	18.00	53.00	47.00	20.43	\$ 67.43	\$ 14.43	27.23%
11	10,000	35.00	20.00	55.00	47.00	22.70	\$ 69.70	\$ 14.70	26.73%
12	11,000	35.00	22.00	57.00	47.00	24.97	\$ 71.97	\$ 14.97	26.26%
13	12,000	35.00	24.00	59.00	47.00	27.24	\$ 74.24	\$ 15.24	25.83%
14	13,000	35.00	26.00	61.00	47.00	29.51	\$ 76.51	\$ 15.51	25.43%
15	14,000	35.00	28.00	63.00	47.00	31.78	\$ 78.78	\$ 15.78	25.05%
16	15,000	35.00	30.00	65.00	47.00	34.05	\$ 81.05	\$ 16.05	24.69%
17	16,000	35.00	32.00	67.00	47.00	36.32	\$ 83.32	\$ 16.32	24.36%
18	17,000	35.00	34.00	69.00	47.00	38.59	\$ 85.59	\$ 16.59	24.04%
19	18,000	35.00	36.00	71.00	47.00	40.86	\$ 87.86	\$ 16.86	23.75%
20	19,000	35.00	38.00	73.00	47.00	43.13	\$ 90.13	\$ 17.13	23.47%
21	20,000	35.00	40.00	75.00	47.00	45.40	\$ 92.40	\$ 17.40	23.20%
22	21,000	35.00	42.00	77.00	47.00	47.67	\$ 94.67	\$ 17.67	22.95%
23	22,000	35.00	44.00	79.00	47.00	49.94	\$ 96.94	\$ 17.94	22.71%
24	23,000	35.00	46.00	81.00	47.00	52.21	\$ 99.21	\$ 18.21	22.48%
25	24,000	35.00	48.00	83.00	47.00	54.48	\$ 101.48	\$ 18.48	22.27%
26	25,000	35.00	50.00	85.00	47.00	56.75	\$ 103.75	\$ 18.75	22.06%
27	26,000	35.00	53.12	88.12	47.00	60.30	\$ 107.30	\$ 19.18	21.77%
28	27,000	35.00	56.24	91.24	47.00	63.85	\$ 110.85	\$ 19.61	21.49%
29	28,000	35.00	59.36	94.36	47.00	67.40	\$ 114.40	\$ 20.04	21.24%
30	29,000	35.00	62.48	97.48	47.00	70.95	\$ 117.95	\$ 20.47	21.00%
31	30,000	35.00	65.60	100.60	47.00	74.50	\$ 121.50	\$ 20.90	20.78%
32	31,000	35.00	68.72	103.72	47.00	78.05	\$ 125.05	\$ 21.33	20.56%
33	32,000	35.00	71.84	106.84	47.00	81.60	\$ 128.60	\$ 21.76	20.37%
34	33,000	35.00	74.96	109.96	47.00	85.15	\$ 132.15	\$ 22.19	20.18%
35	34,000	35.00	78.08	113.08	47.00	88.70	\$ 135.70	\$ 22.62	20.00%
36	35,000	35.00	81.20	116.20	47.00	92.25	\$ 139.25	\$ 23.05	19.84%
37	36,000	35.00	84.32	119.32	47.00	95.80	\$ 142.80	\$ 23.48	19.68%
38	37,000	35.00	87.44	122.44	47.00	99.35	\$ 146.35	\$ 23.91	19.53%
39	38,000	35.00	90.56	125.56	47.00	102.90	\$ 149.90	\$ 24.34	19.39%
40	39,000	35.00	93.68	128.68	47.00	106.45	\$ 153.45	\$ 24.77	19.25%
41	40,000	35.00	96.80	131.80	47.00	110.00	\$ 157.00	\$ 25.20	19.12%
42	41,000	35.00	99.92	134.92	47.00	113.55	\$ 160.55	\$ 25.63	19.00%
43	43,000	35.00	106.16	141.16	47.00	120.65	\$ 167.65	\$ 26.49	18.77%
44	44,000	35.00	109.28	144.28	47.00	124.20	\$ 171.20	\$ 26.92	18.66%

45	45,000	35.00	112.40	147.40	47.00	127.75	\$	174.75	\$	27.35	18.55%
46	46,000	35.00	115.52	150.52	47.00	131.30	\$	178.30	\$	27.78	18.46%
47	47,000	35.00	118.64	153.64	47.00	134.85	\$	181.85	\$	28.21	18.36%
48	49,000	35.00	124.88	159.88	47.00	141.95	\$	188.95	\$	29.07	18.18%
49	50,000	35.00	128.00	163.00	47.00	145.50	\$	192.50	\$	29.50	18.10%
50	51,000	35.00	131.12	166.12	47.00	149.05	\$	196.05	\$	29.93	18.02%
51	52,000	35.00	134.24	169.24	47.00	152.60	\$	199.60	\$	30.36	17.94%
52	53,000	35.00	137.36	172.36	47.00	156.15	\$	203.15	\$	30.79	17.86%
53	54,000	35.00	140.48	175.48	47.00	159.70	\$	206.70	\$	31.22	17.79%
54	55,000	35.00	143.60	178.60	47.00	163.25	\$	210.25	\$	31.65	17.72%
55	56,000	35.00	146.72	181.72	47.00	166.80	\$	213.80	\$	32.08	17.65%
56	57,000	35.00	149.84	184.84	47.00	170.35	\$	217.35	\$	32.51	17.59%
57	58,000	35.00	152.96	187.96	47.00	173.90	\$	220.90	\$	32.94	17.53%
58	59,000	35.00	156.08	191.08	47.00	177.45	\$	224.45	\$	33.37	17.46%
59	60,000	35.00	159.20	194.20	47.00	181.00	\$	228.00	\$	33.80	17.40%
60	61,000	35.00	162.32	197.32	47.00	184.55	\$	231.55	\$	34.23	17.35%
61	62,000	35.00	165.44	200.44	47.00	188.10	\$	235.10	\$	34.66	17.29%
62	63,000	35.00	168.56	203.56	47.00	191.65	\$	238.65	\$	35.09	17.24%
63	64,000	35.00	171.68	206.68	47.00	195.20	\$	242.20	\$	35.52	17.19%
64	65,000	35.00	174.80	209.80	47.00	198.75	\$	245.75	\$	35.95	17.14%
65	67,000	35.00	181.04	216.04	47.00	205.85	\$	252.85	\$	36.81	17.04%
66	69,000	35.00	187.28	222.28	47.00	212.95	\$	259.95	\$	37.67	16.95%
67	70,000	35.00	190.40	225.40	47.00	216.50	\$	263.50	\$	38.10	16.90%
68	71,000	35.00	193.52	228.52	47.00	220.05	\$	267.05	\$	38.53	16.86%
69	74,000	35.00	202.88	237.88	47.00	230.70	\$	277.70	\$	39.82	16.74%
70	75,000	35.00	206.00	241.00	47.00	234.25	\$	281.25	\$	40.25	16.70%
71	76,000	35.00	209.12	244.12	47.00	237.80	\$	284.80	\$	40.68	16.66%
72	77,000	35.00	212.24	247.24	47.00	241.35	\$	288.35	\$	41.11	16.63%
73	79,000	35.00	218.48	253.48	47.00	248.45	\$	295.45	\$	41.97	16.56%
74	82,000	35.00	227.84	262.84	47.00	259.10	\$	306.10	\$	43.26	16.46%
75	86,000	35.00	240.32	275.32	47.00	273.30	\$	320.30	\$	44.98	16.34%
76	90,000	35.00	252.80	287.80	47.00	287.50	\$	334.50	\$	46.70	16.23%
77	91,000	35.00	255.92	290.92	47.00	291.05	\$	338.05	\$	47.13	16.20%
78	94,000	35.00	265.28	300.28	47.00	301.70	\$	348.70	\$	48.42	16.12%
79	95,000	35.00	268.40	303.40	47.00	305.25	\$	352.25	\$	48.85	16.10%
80	97,000	35.00	274.64	309.64	47.00	312.35	\$	359.35	\$	49.71	16.05%
81	103,000	35.00	293.36	328.36	47.00	333.65	\$	380.65	\$	52.29	15.92%
82	108,000	35.00	308.96	343.96	47.00	351.40	\$	398.40	\$	54.44	15.83%
83	109,000	35.00	312.08	347.08	47.00	354.95	\$	401.95	\$	54.87	15.81%
84	111,000	35.00	318.32	353.32	47.00	362.05	\$	409.05	\$	55.73	15.77%
85	112,000	35.00	321.44	356.44	47.00	365.60	\$	412.60	\$	56.16	15.76%
86	113,000	35.00	324.56	359.56	47.00	369.15	\$	416.15	\$	56.59	15.74%
87	116,000	35.00	333.92	368.92	47.00	379.80	\$	426.80	\$	57.88	15.69%
88	117,000	35.00	337.04	372.04	47.00	383.35	\$	430.35	\$	58.31	15.67%
89	118,000	35.00	340.16	375.16	47.00	386.90	\$	433.90	\$	58.74	15.66%
90	119,000	35.00	343.28	378.28	47.00	390.45	\$	437.45	\$	59.17	15.64%
91	121,000	35.00	349.52	384.52	47.00	397.55	\$	444.55	\$	60.03	15.61%
92	125,000	35.00	362.00	397.00	47.00	411.75	\$	458.75	\$	61.75	15.55%
93	129,000	35.00	374.48	409.48	47.00	425.95	\$	472.95	\$	63.47	15.50%
94	133,000	35.00	386.96	421.96	47.00	440.15	\$	487.15	\$	65.19	15.45%
95	137,000	35.00	399.44	434.44	47.00	454.35	\$	501.35	\$	66.91	15.40%
96	140,000	35.00	408.80	443.80	47.00	465.00	\$	512.00	\$	68.20	15.37%
97	147,000	35.00	430.64	465.64	47.00	489.85	\$	536.85	\$	71.21	15.29%
98	152,000	35.00	446.24	481.24	47.00	507.60	\$	554.60	\$	73.36	15.24%

99	155,000	35.00	455.60	490.60	47.00	518.25	\$	565.25	\$	74.65	15.22%
100	160,000	35.00	471.20	506.20	47.00	536.00	\$	583.00	\$	76.80	15.17%
101	164,000	35.00	483.68	518.68	47.00	550.20	\$	597.20	\$	78.52	15.14%
102	166,000	35.00	489.92	524.92	47.00	557.30	\$	604.30	\$	79.38	15.12%
103	219,000	35.00	655.28	690.28	47.00	745.45	\$	792.45	\$	102.17	14.80%
104	225,000	35.00	674.00	709.00	47.00	766.75	\$	813.75	\$	104.75	14.77%
105	352,000	35.00	1,070.24	1,105.24	47.00	1,217.60	\$	1,264.60	\$	159.36	14.42%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
2" Commercial Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	112.00	-	112.00	151.00	-	\$ 151.00	\$ 39.00	34.82%
2	1,000	112.00	2.00	114.00	151.00	2.27	\$ 153.27	\$ 39.27	34.45%
3	2,000	112.00	4.00	116.00	151.00	4.54	\$ 155.54	\$ 39.54	34.09%
4	3,000	112.00	6.00	118.00	151.00	6.81	\$ 157.81	\$ 39.81	33.74%
5	4,000	112.00	8.00	120.00	151.00	9.08	\$ 160.08	\$ 40.08	33.40%
6	5,000	112.00	10.00	122.00	151.00	11.35	\$ 162.35	\$ 40.35	33.07%
7	6,000	112.00	12.00	124.00	151.00	13.62	\$ 164.62	\$ 40.62	32.76%
8	7,000	112.00	14.00	126.00	151.00	15.89	\$ 166.89	\$ 40.89	32.45%
9	8,000	112.00	16.00	128.00	151.00	18.16	\$ 169.16	\$ 41.16	32.16%
10	9,000	112.00	18.00	130.00	151.00	20.43	\$ 171.43	\$ 41.43	31.87%
11	10,000	112.00	20.00	132.00	151.00	22.70	\$ 173.70	\$ 41.70	31.59%
12	11,000	112.00	22.00	134.00	151.00	24.97	\$ 175.97	\$ 41.97	31.32%
13	12,000	112.00	24.00	136.00	151.00	27.24	\$ 178.24	\$ 42.24	31.06%
14	13,000	112.00	26.00	138.00	151.00	29.51	\$ 180.51	\$ 42.51	30.80%
15	14,000	112.00	28.00	140.00	151.00	31.78	\$ 182.78	\$ 42.78	30.56%
16	15,000	112.00	30.00	142.00	151.00	34.05	\$ 185.05	\$ 43.05	30.32%
17	16,000	112.00	32.00	144.00	151.00	36.32	\$ 187.32	\$ 43.32	30.08%
18	17,000	112.00	34.00	146.00	151.00	38.59	\$ 189.59	\$ 43.59	29.86%
19	18,000	112.00	36.00	148.00	151.00	40.86	\$ 191.86	\$ 43.86	29.64%
20	19,000	112.00	38.00	150.00	151.00	43.13	\$ 194.13	\$ 44.13	29.42%
21	20,000	112.00	40.00	152.00	151.00	45.40	\$ 196.40	\$ 44.40	29.21%
22	21,000	112.00	42.00	154.00	151.00	47.67	\$ 198.67	\$ 44.67	29.01%
23	22,000	112.00	44.00	156.00	151.00	49.94	\$ 200.94	\$ 44.94	28.81%
24	23,000	112.00	46.00	158.00	151.00	52.21	\$ 203.21	\$ 45.21	28.61%
25	24,000	112.00	48.00	160.00	151.00	54.48	\$ 205.48	\$ 45.48	28.43%
26	25,000	112.00	50.00	162.00	151.00	56.75	\$ 207.75	\$ 45.75	28.24%
27	26,000	112.00	52.00	164.00	151.00	59.02	\$ 210.02	\$ 46.02	28.06%
28	27,000	112.00	54.00	166.00	151.00	61.29	\$ 212.29	\$ 46.29	27.89%
29	28,000	112.00	56.00	168.00	151.00	63.56	\$ 214.56	\$ 46.56	27.71%
30	29,000	112.00	58.00	170.00	151.00	65.83	\$ 216.83	\$ 46.83	27.55%
31	30,000	112.00	60.00	172.00	151.00	68.10	\$ 219.10	\$ 47.10	27.38%
32	31,000	112.00	62.00	174.00	151.00	70.37	\$ 221.37	\$ 47.37	27.22%
33	32,000	112.00	64.00	176.00	151.00	72.64	\$ 223.64	\$ 47.64	27.07%
34	33,000	112.00	66.00	178.00	151.00	74.91	\$ 225.91	\$ 47.91	26.92%
35	34,000	112.00	68.00	180.00	151.00	77.18	\$ 228.18	\$ 48.18	26.77%
36	35,000	112.00	70.00	182.00	151.00	79.45	\$ 230.45	\$ 48.45	26.62%
37	36,000	112.00	72.00	184.00	151.00	81.72	\$ 232.72	\$ 48.72	26.48%
38	37,000	112.00	74.00	186.00	151.00	83.99	\$ 234.99	\$ 48.99	26.34%
39	38,000	112.00	76.00	188.00	151.00	86.26	\$ 237.26	\$ 49.26	26.20%
40	40,000	112.00	80.00	192.00	151.00	90.80	\$ 241.80	\$ 49.80	25.94%
41	41,000	112.00	82.00	194.00	151.00	93.07	\$ 244.07	\$ 50.07	25.81%
42	43,000	112.00	86.00	198.00	151.00	97.61	\$ 248.61	\$ 50.61	25.56%
43	44,000	112.00	88.00	200.00	151.00	99.88	\$ 250.88	\$ 50.88	25.44%
44	45,000	112.00	90.00	202.00	151.00	102.15	\$ 253.15	\$ 51.15	25.32%

45	46,000	112.00	92.00	204.00	151.00	104.42	\$	255.42	\$ 51.42	25.21%
46	47,000	112.00	94.00	206.00	151.00	106.69	\$	257.69	\$ 51.69	25.09%
47	48,000	112.00	96.00	208.00	151.00	108.96	\$	259.96	\$ 51.96	24.98%
48	49,000	112.00	98.00	210.00	151.00	111.23	\$	262.23	\$ 52.23	24.87%
49	50,000	112.00	100.00	212.00	151.00	113.50	\$	264.50	\$ 52.50	24.76%
50	51,000	112.00	102.00	214.00	151.00	115.77	\$	266.77	\$ 52.77	24.66%
51	52,000	112.00	104.00	216.00	151.00	118.04	\$	269.04	\$ 53.04	24.56%
52	54,000	112.00	108.00	220.00	151.00	122.58	\$	273.58	\$ 53.58	24.35%
53	62,000	112.00	124.00	236.00	151.00	140.74	\$	291.74	\$ 55.74	23.62%
54	64,000	112.00	128.00	240.00	151.00	145.28	\$	296.28	\$ 56.28	23.45%
55	65,000	112.00	130.00	242.00	151.00	147.55	\$	298.55	\$ 56.55	23.37%
56	66,000	112.00	132.00	244.00	151.00	149.82	\$	300.82	\$ 56.82	23.29%
57	69,000	112.00	138.00	250.00	151.00	156.63	\$	307.63	\$ 57.63	23.05%
58	71,000	112.00	142.00	254.00	151.00	161.17	\$	312.17	\$ 58.17	22.90%
59	73,000	112.00	146.00	258.00	151.00	165.71	\$	316.71	\$ 58.71	22.76%
60	74,000	112.00	148.00	260.00	151.00	167.98	\$	318.98	\$ 58.98	22.68%
61	77,000	112.00	154.00	266.00	151.00	174.79	\$	325.79	\$ 59.79	22.48%
62	80,000	112.00	160.00	272.00	151.00	181.60	\$	332.60	\$ 60.60	22.28%
63	81,000	112.00	163.12	275.12	151.00	185.15	\$	336.15	\$ 61.03	22.18%
64	82,000	112.00	166.24	278.24	151.00	188.70	\$	339.70	\$ 61.46	22.09%
65	83,000	112.00	169.36	281.36	151.00	192.25	\$	343.25	\$ 61.89	22.00%
66	85,000	112.00	175.60	287.60	151.00	199.35	\$	350.35	\$ 62.75	21.82%
67	86,000	112.00	178.72	290.72	151.00	202.90	\$	353.90	\$ 63.18	21.73%
68	88,000	112.00	184.96	296.96	151.00	210.00	\$	361.00	\$ 64.04	21.57%
69	90,000	112.00	191.20	303.20	151.00	217.10	\$	368.10	\$ 64.90	21.41%
70	91,000	112.00	194.32	306.32	151.00	220.65	\$	371.65	\$ 65.33	21.33%
71	92,000	112.00	197.44	309.44	151.00	224.20	\$	375.20	\$ 65.76	21.25%
72	94,000	112.00	203.68	315.68	151.00	231.30	\$	382.30	\$ 66.62	21.10%
73	98,000	112.00	216.16	328.16	151.00	245.50	\$	396.50	\$ 68.34	20.83%
74	99,000	112.00	219.28	331.28	151.00	249.05	\$	400.05	\$ 68.77	20.76%
75	100,000	112.00	222.40	334.40	151.00	252.60	\$	403.60	\$ 69.20	20.69%
76	101,000	112.00	225.52	337.52	151.00	256.15	\$	407.15	\$ 69.63	20.63%
77	103,000	112.00	231.76	343.76	151.00	263.25	\$	414.25	\$ 70.49	20.51%
78	105,000	112.00	238.00	350.00	151.00	270.35	\$	421.35	\$ 71.35	20.39%
79	106,000	112.00	241.12	353.12	151.00	273.90	\$	424.90	\$ 71.78	20.33%
80	108,000	112.00	247.36	359.36	151.00	281.00	\$	432.00	\$ 72.64	20.21%
81	110,000	112.00	253.60	365.60	151.00	288.10	\$	439.10	\$ 73.50	20.10%
82	111,000	112.00	256.72	368.72	151.00	291.65	\$	442.65	\$ 73.93	20.05%
83	129,000	112.00	312.88	424.88	151.00	355.55	\$	506.55	\$ 81.67	19.22%
84	135,000	112.00	331.60	443.60	151.00	376.85	\$	527.85	\$ 84.25	18.99%
85	146,000	112.00	365.92	477.92	151.00	415.90	\$	566.90	\$ 88.98	18.62%
86	173,000	112.00	450.16	562.16	151.00	511.75	\$	662.75	\$100.59	17.89%
87	181,000	112.00	475.12	587.12	151.00	540.15	\$	691.15	\$104.03	17.72%
88	192,000	112.00	509.44	621.44	151.00	579.20	\$	730.20	\$108.76	17.50%
89	196,000	112.00	521.92	633.92	151.00	593.40	\$	744.40	\$110.48	17.43%
90	201,000	112.00	537.52	649.52	151.00	611.15	\$	762.15	\$112.63	17.34%
91	206,000	112.00	553.12	665.12	151.00	628.90	\$	779.90	\$114.78	17.26%
92	211,000	112.00	568.72	680.72	151.00	646.65	\$	797.65	\$116.93	17.18%
93	217,000	112.00	587.44	699.44	151.00	667.95	\$	818.95	\$119.51	17.09%
94	220,000	112.00	596.80	708.80	151.00	678.60	\$	829.60	\$120.80	17.04%
95	223,000	112.00	606.16	718.16	151.00	689.25	\$	840.25	\$122.09	17.00%
96	226,000	112.00	615.52	727.52	151.00	699.90	\$	850.90	\$123.38	16.96%
97	228,000	112.00	621.76	733.76	151.00	707.00	\$	858.00	\$124.24	16.93%
98	229,000	112.00	624.88	736.88	151.00	710.55	\$	861.55	\$124.67	16.92%

99	231,000	112.00	631.12	743.12	151.00	717.65	\$	868.65	\$125.53	16.89%
100	232,000	112.00	634.24	746.24	151.00	721.20	\$	872.20	\$125.96	16.88%
101	239,000	112.00	656.08	768.08	151.00	746.05	\$	897.05	\$128.97	16.79%
102	241,000	112.00	662.32	774.32	151.00	753.15	\$	904.15	\$129.83	16.77%
103	242,000	112.00	665.44	777.44	151.00	756.70	\$	907.70	\$130.26	16.75%
104	247,000	112.00	681.04	793.04	151.00	774.45	\$	925.45	\$132.41	16.70%
105	257,000	112.00	712.24	824.24	151.00	809.95	\$	960.95	\$136.71	16.59%
106	277,000	112.00	774.64	886.64	151.00	880.95	\$	1,031.95	\$145.31	16.39%
107	278,000	112.00	777.76	889.76	151.00	884.50	\$	1,035.50	\$145.74	16.38%
108	283,000	112.00	793.36	905.36	151.00	902.25	\$	1,053.25	\$147.89	16.33%
109	284,000	112.00	796.48	908.48	151.00	905.80	\$	1,056.80	\$148.32	16.33%
110	291,000	112.00	818.32	930.32	151.00	930.65	\$	1,081.65	\$151.33	16.27%
111	300,000	112.00	846.40	958.40	151.00	962.60	\$	1,113.60	\$155.20	16.19%
112	302,000	112.00	852.64	964.64	151.00	969.70	\$	1,120.70	\$156.06	16.18%
113	304,000	112.00	858.88	970.88	151.00	976.80	\$	1,127.80	\$156.92	16.16%
114	330,000	112.00	940.00	1,052.00	151.00	1,069.10	\$	1,220.10	\$168.10	15.98%
115	338,000	112.00	964.96	1,076.96	151.00	1,097.50	\$	1,248.50	\$171.54	15.93%
116	378,000	112.00	1,089.76	1,201.76	151.00	1,239.50	\$	1,390.50	\$188.74	15.71%
117	416,000	112.00	1,208.32	1,320.32	151.00	1,374.40	\$	1,525.40	\$205.08	15.53%
118	417,000	112.00	1,211.44	1,323.44	151.00	1,377.95	\$	1,528.95	\$205.51	15.53%
119	486,000	112.00	1,426.72	1,538.72	151.00	1,622.90	\$	1,773.90	\$235.18	15.28%
120	490,000	112.00	1,439.20	1,551.20	151.00	1,637.10	\$	1,788.10	\$236.90	15.27%
121	519,000	112.00	1,529.68	1,641.68	151.00	1,740.05	\$	1,891.05	\$249.37	15.19%
122	525,000	112.00	1,548.40	1,660.40	151.00	1,761.35	\$	1,912.35	\$251.95	15.17%
123	554,000	112.00	1,638.88	1,750.88	151.00	1,864.30	\$	2,015.30	\$264.42	15.10%
124	558,000	112.00	1,651.36	1,763.36	151.00	1,878.50	\$	2,029.50	\$266.14	15.09%
125	562,000	112.00	1,663.84	1,775.84	151.00	1,892.70	\$	2,043.70	\$267.86	15.08%
126	564,000	112.00	1,670.08	1,782.08	151.00	1,899.80	\$	2,050.80	\$268.72	15.08%
127	650,000	112.00	1,938.40	2,050.40	151.00	2,205.10	\$	2,356.10	\$305.70	14.91%
128	663,000	112.00	1,978.96	2,090.96	151.00	2,251.25	\$	2,402.25	\$311.29	14.89%
129	674,000	112.00	2,013.28	2,125.28	151.00	2,290.30	\$	2,441.30	\$316.02	14.87%
130	676,000	112.00	2,019.52	2,131.52	151.00	2,297.40	\$	2,448.40	\$316.88	14.87%
131	690,000	112.00	2,063.20	2,175.20	151.00	2,347.10	\$	2,498.10	\$322.90	14.84%
132	691,000	112.00	2,066.32	2,178.32	151.00	2,350.65	\$	2,501.65	\$323.33	14.84%
133	692,000	112.00	2,069.44	2,181.44	151.00	2,354.20	\$	2,505.20	\$323.76	14.84%
134	703,000	112.00	2,103.76	2,215.76	151.00	2,393.25	\$	2,544.25	\$328.49	14.83%
135	705,000	112.00	2,110.00	2,222.00	151.00	2,400.35	\$	2,551.35	\$329.35	14.82%
136	707,000	112.00	2,116.24	2,228.24	151.00	2,407.45	\$	2,558.45	\$330.21	14.82%
137	719,000	112.00	2,153.68	2,265.68	151.00	2,450.05	\$	2,601.05	\$335.37	14.80%
138	722,000	112.00	2,163.04	2,275.04	151.00	2,460.70	\$	2,611.70	\$336.66	14.80%
139	737,000	112.00	2,209.84	2,321.84	151.00	2,513.95	\$	2,664.95	\$343.11	14.78%
140	746,000	112.00	2,237.92	2,349.92	151.00	2,545.90	\$	2,696.90	\$346.98	14.77%
141	756,000	112.00	2,269.12	2,381.12	151.00	2,581.40	\$	2,732.40	\$351.28	14.75%
142	765,000	112.00	2,297.20	2,409.20	151.00	2,613.35	\$	2,764.35	\$355.15	14.74%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
5/8" Construction Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	13.00	-	13.00	18.00	-	\$ 18.00	\$ 5.00	38.46%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
1" Construction Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	35.00	-	35.00	47.00	-	\$ 47.00	\$ 12.00	34.29%
2	1,000	35.00	1.64	36.64	47.00	1.87	\$ 48.87	\$ 12.23	33.38%
3	21,000	35.00	34.44	69.44	47.00	39.27	\$ 86.27	\$ 16.83	24.24%
4	23,000	35.00	37.72	72.72	47.00	43.01	\$ 90.01	\$ 17.29	23.78%
5	24,000	35.00	39.36	74.36	47.00	44.88	\$ 91.88	\$ 17.52	23.56%
6	27,000	35.00	44.28	79.28	47.00	50.49	\$ 97.49	\$ 18.21	22.97%
7	28,000	35.00	45.92	80.92	47.00	52.36	\$ 99.36	\$ 18.44	22.79%
8	31,000	35.00	50.84	85.84	47.00	57.97	\$ 104.97	\$ 19.13	22.29%
9	33,000	35.00	54.12	89.12	47.00	61.71	\$ 108.71	\$ 19.59	21.98%
10	35,000	35.00	57.40	92.40	47.00	65.45	\$ 112.45	\$ 20.05	21.70%
11	36,000	35.00	59.04	94.04	47.00	67.32	\$ 114.32	\$ 20.28	21.57%
12	37,000	35.00	60.68	95.68	47.00	69.19	\$ 116.19	\$ 20.51	21.44%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

2" Construction Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	112.00	-	112.00	151.00	-	\$ 151.00	\$ 39.00	34.82%
2	1,000	112.00	1.64	113.64	151.00	1.87	\$ 152.87	\$ 39.23	34.52%
3	2,000	112.00	3.28	115.28	151.00	3.74	\$ 154.74	\$ 39.46	34.23%
4	5,000	112.00	8.20	120.20	151.00	9.35	\$ 160.35	\$ 40.15	33.40%
5	14,000	112.00	22.96	134.96	151.00	26.18	\$ 177.18	\$ 42.22	31.28%
6	16,000	112.00	26.24	138.24	151.00	29.92	\$ 180.92	\$ 42.68	30.87%
7	19,000	112.00	31.16	143.16	151.00	35.53	\$ 186.53	\$ 43.37	30.29%
8	20,000	112.00	32.80	144.80	151.00	37.40	\$ 188.40	\$ 43.60	30.11%
9	24,000	112.00	39.36	151.36	151.00	44.88	\$ 195.88	\$ 44.52	29.41%
10	30,000	112.00	49.20	161.20	151.00	56.10	\$ 207.10	\$ 45.90	28.47%
11	34,000	112.00	55.76	167.76	151.00	63.58	\$ 214.58	\$ 46.82	27.91%
12	36,000	112.00	59.04	171.04	151.00	67.32	\$ 218.32	\$ 47.28	27.64%
13	38,000	112.00	62.32	174.32	151.00	71.06	\$ 222.06	\$ 47.74	27.39%
14	46,000	112.00	75.44	187.44	151.00	86.02	\$ 237.02	\$ 49.58	26.45%
15	47,000	112.00	77.08	189.08	151.00	87.89	\$ 238.89	\$ 49.81	26.34%
16	48,000	112.00	78.72	190.72	151.00	89.76	\$ 240.76	\$ 50.04	26.24%
17	51,000	112.00	83.64	195.64	151.00	95.37	\$ 246.37	\$ 50.73	25.93%
18	61,000	112.00	100.04	212.04	151.00	114.07	\$ 265.07	\$ 53.03	25.01%
19	66,000	112.00	108.24	220.24	151.00	123.42	\$ 274.42	\$ 54.18	24.60%
20	136,000	112.00	223.04	335.04	151.00	254.32	\$ 405.32	\$ 70.28	20.98%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

3" Construction Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	224.00	-	224.00	302.00	-	\$ 302.00	\$ 78.00	34.82%
2	1,000	224.00	1.64	225.64	302.00	1.87	\$ 303.87	\$ 78.23	34.67%
3	2,000	224.00	3.28	227.28	302.00	3.74	\$ 305.74	\$ 78.46	34.52%
4	3,000	224.00	4.92	228.92	302.00	5.61	\$ 307.61	\$ 78.69	34.37%
5	4,000	224.00	6.56	230.56	302.00	7.48	\$ 309.48	\$ 78.92	34.23%
6	5,000	224.00	8.20	232.20	302.00	9.35	\$ 311.35	\$ 79.15	34.09%
7	6,000	224.00	9.84	233.84	302.00	11.22	\$ 313.22	\$ 79.38	33.95%
8	9,000	224.00	14.76	238.76	302.00	16.83	\$ 318.83	\$ 80.07	33.54%
9	10,000	224.00	16.40	240.40	302.00	18.70	\$ 320.70	\$ 80.30	33.40%
10	11,000	224.00	18.04	242.04	302.00	20.57	\$ 322.57	\$ 80.53	33.27%
11	12,000	224.00	19.68	243.68	302.00	22.44	\$ 324.44	\$ 80.76	33.14%
12	14,000	224.00	22.96	246.96	302.00	26.18	\$ 328.18	\$ 81.22	32.89%
13	15,000	224.00	24.60	248.60	302.00	28.05	\$ 330.05	\$ 81.45	32.76%
14	18,000	224.00	29.52	253.52	302.00	33.66	\$ 335.66	\$ 82.14	32.40%
15	19,000	224.00	31.16	255.16	302.00	35.53	\$ 337.53	\$ 82.37	32.28%
16	20,000	224.00	32.80	256.80	302.00	37.40	\$ 339.40	\$ 82.60	32.17%
17	21,000	224.00	34.44	258.44	302.00	39.27	\$ 341.27	\$ 82.83	32.05%
18	25,000	224.00	41.00	265.00	302.00	46.75	\$ 348.75	\$ 83.75	31.60%
19	37,000	224.00	60.68	284.68	302.00	69.19	\$ 371.19	\$ 86.51	30.39%
20	38,000	224.00	62.32	286.32	302.00	71.06	\$ 373.06	\$ 86.74	30.29%
21	39,000	224.00	63.96	287.96	302.00	72.93	\$ 374.93	\$ 86.97	30.20%
22	40,000	224.00	65.60	289.60	302.00	74.80	\$ 376.80	\$ 87.20	30.11%
23	47,000	224.00	77.08	301.08	302.00	87.89	\$ 389.89	\$ 88.81	29.50%
24	60,000	224.00	98.40	322.40	302.00	112.20	\$ 414.20	\$ 91.80	28.47%
25	61,000	224.00	100.04	324.04	302.00	114.07	\$ 416.07	\$ 92.03	28.40%
26	75,000	224.00	123.00	347.00	302.00	140.25	\$ 442.25	\$ 95.25	27.45%
27	76,000	224.00	124.64	348.64	302.00	142.12	\$ 444.12	\$ 95.48	27.39%
28	79,000	224.00	129.56	353.56	302.00	147.73	\$ 449.73	\$ 96.17	27.20%
29	114,000	224.00	186.96	410.96	302.00	213.18	\$ 515.18	\$ 104.22	25.36%
30	155,000	224.00	254.20	478.20	302.00	289.85	\$ 591.85	\$ 113.65	23.77%
31	188,000	224.00	308.32	532.32	302.00	351.56	\$ 653.56	\$ 121.24	22.78%
32	202,000	224.00	331.28	555.28	302.00	377.74	\$ 679.74	\$ 124.46	22.41%
33	204,000	224.00	334.56	558.56	302.00	381.48	\$ 683.48	\$ 124.92	22.36%
34	206,000	224.00	337.84	561.84	302.00	385.22	\$ 687.22	\$ 125.38	22.32%
35	209,000	224.00	342.76	566.76	302.00	390.83	\$ 692.83	\$ 126.07	22.24%
36	223,000	224.00	365.72	589.72	302.00	417.01	\$ 719.01	\$ 129.29	21.92%
37	225,000	224.00	369.00	593.00	302.00	420.75	\$ 722.75	\$ 129.75	21.88%
38	229,000	224.00	375.56	599.56	302.00	428.23	\$ 730.23	\$ 130.67	21.79%
39	234,000	224.00	383.76	607.76	302.00	437.58	\$ 739.58	\$ 131.82	21.69%
40	237,000	224.00	388.68	612.68	302.00	443.19	\$ 745.19	\$ 132.51	21.63%
41	240,000	224.00	393.60	617.60	302.00	448.80	\$ 750.80	\$ 133.20	21.57%
42	248,000	224.00	406.72	630.72	302.00	463.76	\$ 765.76	\$ 135.04	21.41%
43	255,000	224.00	418.20	642.20	302.00	476.85	\$ 778.85	\$ 136.65	21.28%
44	267,000	224.00	437.88	661.88	302.00	499.29	\$ 801.29	\$ 139.41	21.06%

45	285,000	224.00	467.40	691.40	302.00	532.95	\$	834.95	\$	143.55	20.76%
46	291,000	224.00	477.24	701.24	302.00	544.17	\$	846.17	\$	144.93	20.67%
47	309,000	224.00	506.76	730.76	302.00	577.83	\$	879.83	\$	149.07	20.40%
48	313,000	224.00	513.32	737.32	302.00	585.31	\$	887.31	\$	149.99	20.34%
49	330,000	224.00	541.20	765.20	302.00	617.10	\$	919.10	\$	153.90	20.11%
50	341,000	224.00	559.24	783.24	302.00	637.67	\$	939.67	\$	156.43	19.97%
51	371,000	224.00	608.44	832.44	302.00	693.77	\$	995.77	\$	163.33	19.62%
52	374,000	224.00	613.36	837.36	302.00	699.38	\$	1,001.38	\$	164.02	19.59%
53	380,000	224.00	623.20	847.20	302.00	710.60	\$	1,012.60	\$	165.40	19.52%
54	381,000	224.00	624.84	848.84	302.00	712.47	\$	1,014.47	\$	165.63	19.51%
55	401,000	224.00	657.64	881.64	302.00	749.87	\$	1,051.87	\$	170.23	19.31%
56	413,000	224.00	677.32	901.32	302.00	772.31	\$	1,074.31	\$	172.99	19.19%
57	433,000	224.00	710.12	934.12	302.00	809.71	\$	1,111.71	\$	177.59	19.01%
58	439,000	224.00	719.96	943.96	302.00	820.93	\$	1,122.93	\$	178.97	18.96%
59	470,000	224.00	770.80	994.80	302.00	878.90	\$	1,180.90	\$	186.10	18.71%
60	620,000	224.00	1,016.80	1,240.80	302.00	1,159.40	\$	1,461.40	\$	220.60	17.78%
61	676,000	224.00	1,108.64	1,332.64	302.00	1,264.12	\$	1,566.12	\$	233.48	17.52%
62	1,001,000	224.00	1,641.64	1,865.64	302.00	1,871.87	\$	2,173.87	\$	308.23	16.52%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
5/8" Irrigation Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	13.00	-	13.00	18.00	-	\$ 18.00	\$ 5.00	38.46%
2	2,000	13.00	3.28	16.28	18.00	3.74	\$ 21.74	\$ 5.46	33.54%
3	3,000	13.00	4.92	17.92	18.00	5.61	\$ 23.61	\$ 5.69	31.75%
4	4,000	13.00	6.56	19.56	18.00	7.48	\$ 25.48	\$ 5.92	30.27%
5	5,000	13.00	8.20	21.20	18.00	9.35	\$ 27.35	\$ 6.15	29.01%
6	6,000	13.00	9.84	22.84	18.00	11.22	\$ 29.22	\$ 6.38	27.93%
7	7,000	13.00	11.48	24.48	18.00	13.09	\$ 31.09	\$ 6.61	27.00%
8	8,000	13.00	13.12	26.12	18.00	14.96	\$ 32.96	\$ 6.84	26.19%
9	9,000	13.00	14.76	27.76	18.00	16.83	\$ 34.83	\$ 7.07	25.47%
10	10,000	13.00	16.40	29.40	18.00	18.70	\$ 36.70	\$ 7.30	24.83%
11	11,000	13.00	18.04	31.04	18.00	20.57	\$ 38.57	\$ 7.53	24.26%
12	12,000	13.00	19.68	32.68	18.00	22.44	\$ 40.44	\$ 7.76	23.75%
13	13,000	13.00	21.32	34.32	18.00	24.31	\$ 42.31	\$ 7.99	23.28%
14	15,000	13.00	24.60	37.60	18.00	28.05	\$ 46.05	\$ 8.45	22.47%
15	16,000	13.00	26.24	39.24	18.00	29.92	\$ 47.92	\$ 8.68	22.12%
16	17,000	13.00	27.88	40.88	18.00	31.79	\$ 49.79	\$ 8.91	21.80%
17	18,000	13.00	29.52	42.52	18.00	33.66	\$ 51.66	\$ 9.14	21.50%
18	20,000	13.00	32.80	45.80	18.00	37.40	\$ 55.40	\$ 9.60	20.96%
19	21,000	13.00	34.44	47.44	18.00	39.27	\$ 57.27	\$ 9.83	20.72%
20	24,000	13.00	39.36	52.36	18.00	44.88	\$ 62.88	\$ 10.52	20.09%
21	27,000	13.00	44.28	57.28	18.00	50.49	\$ 68.49	\$ 11.21	19.57%
22	28,000	13.00	45.92	58.92	18.00	52.36	\$ 70.36	\$ 11.44	19.42%
23	31,000	13.00	50.84	63.84	18.00	57.97	\$ 75.97	\$ 12.13	19.00%
24	32,000	13.00	52.48	65.48	18.00	59.84	\$ 77.84	\$ 12.36	18.88%
25	33,000	13.00	54.12	67.12	18.00	61.71	\$ 79.71	\$ 12.59	18.76%
26	34,000	13.00	55.76	68.76	18.00	63.58	\$ 81.58	\$ 12.82	18.64%
27	35,000	13.00	57.40	70.40	18.00	65.45	\$ 83.45	\$ 13.05	18.54%
28	36,000	13.00	59.04	72.04	18.00	67.32	\$ 85.32	\$ 13.28	18.43%
29	37,000	13.00	60.68	73.68	18.00	69.19	\$ 87.19	\$ 13.51	18.34%
30	41,000	13.00	67.24	80.24	18.00	76.67	\$ 94.67	\$ 14.43	17.98%
31	43,000	13.00	70.52	83.52	18.00	80.41	\$ 98.41	\$ 14.89	17.83%
32	47,000	13.00	77.08	90.08	18.00	87.89	\$ 105.89	\$ 15.81	17.55%
33	72,000	13.00	118.08	131.08	18.00	134.64	\$ 152.64	\$ 21.56	16.45%
34	100,000	13.00	164.00	177.00	18.00	187.00	\$ 205.00	\$ 28.00	15.82%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

1" Irrigation Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	35.00	-	35.00	47.00	-	\$ 47.00	\$ 12.00	34.29%
2	1,000	35.00	1.64	36.64	47.00	1.87	\$ 48.87	\$ 12.23	33.38%
3	2,000	35.00	3.28	38.28	47.00	3.74	\$ 50.74	\$ 12.46	32.55%
4	3,000	35.00	4.92	39.92	47.00	5.61	\$ 52.61	\$ 12.69	31.79%
5	4,000	35.00	6.56	41.56	47.00	7.48	\$ 54.48	\$ 12.92	31.09%
6	5,000	35.00	8.20	43.20	47.00	9.35	\$ 56.35	\$ 13.15	30.44%
7	6,000	35.00	9.84	44.84	47.00	11.22	\$ 58.22	\$ 13.38	29.84%
8	7,000	35.00	11.48	46.48	47.00	13.09	\$ 60.09	\$ 13.61	29.28%
9	8,000	35.00	13.12	48.12	47.00	14.96	\$ 61.96	\$ 13.84	28.76%
10	9,000	35.00	14.76	49.76	47.00	16.83	\$ 63.83	\$ 14.07	28.28%
11	10,000	35.00	16.40	51.40	47.00	18.70	\$ 65.70	\$ 14.30	27.82%
12	11,000	35.00	18.04	53.04	47.00	20.57	\$ 67.57	\$ 14.53	27.39%
13	12,000	35.00	19.68	54.68	47.00	22.44	\$ 69.44	\$ 14.76	26.99%
14	13,000	35.00	21.32	56.32	47.00	24.31	\$ 71.31	\$ 14.99	26.62%
15	14,000	35.00	22.96	57.96	47.00	26.18	\$ 73.18	\$ 15.22	26.26%
16	15,000	35.00	24.60	59.60	47.00	28.05	\$ 75.05	\$ 15.45	25.92%
17	16,000	35.00	26.24	61.24	47.00	29.92	\$ 76.92	\$ 15.68	25.60%
18	17,000	35.00	27.88	62.88	47.00	31.79	\$ 78.79	\$ 15.91	25.30%
19	18,000	35.00	29.52	64.52	47.00	33.66	\$ 80.66	\$ 16.14	25.02%
20	19,000	35.00	31.16	66.16	47.00	35.53	\$ 82.53	\$ 16.37	24.74%
21	20,000	35.00	32.80	67.80	47.00	37.40	\$ 84.40	\$ 16.60	24.48%
22	21,000	35.00	34.44	69.44	47.00	39.27	\$ 86.27	\$ 16.83	24.24%
23	22,000	35.00	36.08	71.08	47.00	41.14	\$ 88.14	\$ 17.06	24.00%
24	23,000	35.00	37.72	72.72	47.00	43.01	\$ 90.01	\$ 17.29	23.78%
25	24,000	35.00	39.36	74.36	47.00	44.88	\$ 91.88	\$ 17.52	23.56%
26	25,000	35.00	41.00	76.00	47.00	46.75	\$ 93.75	\$ 17.75	23.36%
27	26,000	35.00	42.64	77.64	47.00	48.62	\$ 95.62	\$ 17.98	23.16%
28	27,000	35.00	44.28	79.28	47.00	50.49	\$ 97.49	\$ 18.21	22.97%
29	28,000	35.00	45.92	80.92	47.00	52.36	\$ 99.36	\$ 18.44	22.79%
30	29,000	35.00	47.56	82.56	47.00	54.23	\$ 101.23	\$ 18.67	22.61%
31	30,000	35.00	49.20	84.20	47.00	56.10	\$ 103.10	\$ 18.90	22.45%
32	31,000	35.00	50.84	85.84	47.00	57.97	\$ 104.97	\$ 19.13	22.29%
33	32,000	35.00	52.48	87.48	47.00	59.84	\$ 106.84	\$ 19.36	22.13%
34	33,000	35.00	54.12	89.12	47.00	61.71	\$ 108.71	\$ 19.59	21.98%
35	34,000	35.00	55.76	90.76	47.00	63.58	\$ 110.58	\$ 19.82	21.84%
36	35,000	35.00	57.40	92.40	47.00	65.45	\$ 112.45	\$ 20.05	21.70%
37	36,000	35.00	59.04	94.04	47.00	67.32	\$ 114.32	\$ 20.28	21.57%
38	37,000	35.00	60.68	95.68	47.00	69.19	\$ 116.19	\$ 20.51	21.44%
39	38,000	35.00	62.32	97.32	47.00	71.06	\$ 118.06	\$ 20.74	21.31%
40	39,000	35.00	63.96	98.96	47.00	72.93	\$ 119.93	\$ 20.97	21.19%
41	40,000	35.00	65.60	100.60	47.00	74.80	\$ 121.80	\$ 21.20	21.07%
42	41,000	35.00	67.24	102.24	47.00	76.67	\$ 123.67	\$ 21.43	20.96%
43	42,000	35.00	68.88	103.88	47.00	78.54	\$ 125.54	\$ 21.66	20.85%
44	43,000	35.00	70.52	105.52	47.00	80.41	\$ 127.41	\$ 21.89	20.74%

45	44,000	35.00	72.16	107.16	47.00	82.28	\$ 129.28	\$ 22.12	20.64%
46	45,000	35.00	73.80	108.80	47.00	84.15	\$ 131.15	\$ 22.35	20.54%
47	46,000	35.00	75.44	110.44	47.00	86.02	\$ 133.02	\$ 22.58	20.45%
48	47,000	35.00	77.08	112.08	47.00	87.89	\$ 134.89	\$ 22.81	20.35%
49	48,000	35.00	78.72	113.72	47.00	89.76	\$ 136.76	\$ 23.04	20.26%
50	49,000	35.00	80.36	115.36	47.00	91.63	\$ 138.63	\$ 23.27	20.17%
51	50,000	35.00	82.00	117.00	47.00	93.50	\$ 140.50	\$ 23.50	20.09%
52	51,000	35.00	83.64	118.64	47.00	95.37	\$ 142.37	\$ 23.73	20.00%
53	52,000	35.00	85.28	120.28	47.00	97.24	\$ 144.24	\$ 23.96	19.92%
54	53,000	35.00	86.92	121.92	47.00	99.11	\$ 146.11	\$ 24.19	19.84%
55	54,000	35.00	88.56	123.56	47.00	100.98	\$ 147.98	\$ 24.42	19.76%
56	55,000	35.00	90.20	125.20	47.00	102.85	\$ 149.85	\$ 24.65	19.69%
57	56,000	35.00	91.84	126.84	47.00	104.72	\$ 151.72	\$ 24.88	19.62%
58	57,000	35.00	93.48	128.48	47.00	106.59	\$ 153.59	\$ 25.11	19.54%
59	58,000	35.00	95.12	130.12	47.00	108.46	\$ 155.46	\$ 25.34	19.47%
60	59,000	35.00	96.76	131.76	47.00	110.33	\$ 157.33	\$ 25.57	19.41%
61	60,000	35.00	98.40	133.40	47.00	112.20	\$ 159.20	\$ 25.80	19.34%
62	62,000	35.00	101.68	136.68	47.00	115.94	\$ 162.94	\$ 26.26	19.21%
63	63,000	35.00	103.32	138.32	47.00	117.81	\$ 164.81	\$ 26.49	19.15%
64	64,000	35.00	104.96	139.96	47.00	119.68	\$ 166.68	\$ 26.72	19.09%
65	65,000	35.00	106.60	141.60	47.00	121.55	\$ 168.55	\$ 26.95	19.03%
66	66,000	35.00	108.24	143.24	47.00	123.42	\$ 170.42	\$ 27.18	18.98%
67	67,000	35.00	109.88	144.88	47.00	125.29	\$ 172.29	\$ 27.41	18.92%
68	68,000	35.00	111.52	146.52	47.00	127.16	\$ 174.16	\$ 27.64	18.86%
69	69,000	35.00	113.16	148.16	47.00	129.03	\$ 176.03	\$ 27.87	18.81%
70	70,000	35.00	114.80	149.80	47.00	130.90	\$ 177.90	\$ 28.10	18.76%
71	72,000	35.00	118.08	153.08	47.00	134.64	\$ 181.64	\$ 28.56	18.66%
72	73,000	35.00	119.72	154.72	47.00	136.51	\$ 183.51	\$ 28.79	18.61%
73	74,000	35.00	121.36	156.36	47.00	138.38	\$ 185.38	\$ 29.02	18.56%
74	75,000	35.00	123.00	158.00	47.00	140.25	\$ 187.25	\$ 29.25	18.51%
75	76,000	35.00	124.64	159.64	47.00	142.12	\$ 189.12	\$ 29.48	18.47%
76	77,000	35.00	126.28	161.28	47.00	143.99	\$ 190.99	\$ 29.71	18.42%
77	78,000	35.00	127.92	162.92	47.00	145.86	\$ 192.86	\$ 29.94	18.38%
78	79,000	35.00	129.56	164.56	47.00	147.73	\$ 194.73	\$ 30.17	18.33%
79	80,000	35.00	131.20	166.20	47.00	149.60	\$ 196.60	\$ 30.40	18.29%
80	81,000	35.00	132.84	167.84	47.00	151.47	\$ 198.47	\$ 30.63	18.25%
81	82,000	35.00	134.48	169.48	47.00	153.34	\$ 200.34	\$ 30.86	18.21%
82	83,000	35.00	136.12	171.12	47.00	155.21	\$ 202.21	\$ 31.09	18.17%
83	84,000	35.00	137.76	172.76	47.00	157.08	\$ 204.08	\$ 31.32	18.13%
84	85,000	35.00	139.40	174.40	47.00	158.95	\$ 205.95	\$ 31.55	18.09%
85	86,000	35.00	141.04	176.04	47.00	160.82	\$ 207.82	\$ 31.78	18.05%
86	87,000	35.00	142.68	177.68	47.00	162.69	\$ 209.69	\$ 32.01	18.02%
87	88,000	35.00	144.32	179.32	47.00	164.56	\$ 211.56	\$ 32.24	17.98%
88	89,000	35.00	145.96	180.96	47.00	166.43	\$ 213.43	\$ 32.47	17.94%
89	91,000	35.00	149.24	184.24	47.00	170.17	\$ 217.17	\$ 32.93	17.87%
90	92,000	35.00	150.88	185.88	47.00	172.04	\$ 219.04	\$ 33.16	17.84%
91	94,000	35.00	154.16	189.16	47.00	175.78	\$ 222.78	\$ 33.62	17.77%
92	96,000	35.00	157.44	192.44	47.00	179.52	\$ 226.52	\$ 34.08	17.71%
93	97,000	35.00	159.08	194.08	47.00	181.39	\$ 228.39	\$ 34.31	17.68%
94	99,000	35.00	162.36	197.36	47.00	185.13	\$ 232.13	\$ 34.77	17.62%
95	100,000	35.00	164.00	199.00	47.00	187.00	\$ 234.00	\$ 35.00	17.59%
96	101,000	35.00	165.64	200.64	47.00	188.87	\$ 235.87	\$ 35.23	17.56%
97	103,000	35.00	168.92	203.92	47.00	192.61	\$ 239.61	\$ 35.69	17.50%
98	105,000	35.00	172.20	207.20	47.00	196.35	\$ 243.35	\$ 36.15	17.45%

99	106,000	35.00	173.84	208.84	47.00	198.22	\$ 245.22	\$ 36.38	17.42%
100	110,000	35.00	180.40	215.40	47.00	205.70	\$ 252.70	\$ 37.30	17.32%
101	111,000	35.00	182.04	217.04	47.00	207.57	\$ 254.57	\$ 37.53	17.29%
102	114,000	35.00	186.96	221.96	47.00	213.18	\$ 260.18	\$ 38.22	17.22%
103	115,000	35.00	188.60	223.60	47.00	215.05	\$ 262.05	\$ 38.45	17.20%
104	117,000	35.00	191.88	226.88	47.00	218.79	\$ 265.79	\$ 38.91	17.15%
105	118,000	35.00	193.52	228.52	47.00	220.66	\$ 267.66	\$ 39.14	17.13%
106	119,000	35.00	195.16	230.16	47.00	222.53	\$ 269.53	\$ 39.37	17.11%
107	125,000	35.00	205.00	240.00	47.00	233.75	\$ 280.75	\$ 40.75	16.98%
108	135,000	35.00	221.40	256.40	47.00	252.45	\$ 299.45	\$ 43.05	16.79%
109	136,000	35.00	223.04	258.04	47.00	254.32	\$ 301.32	\$ 43.28	16.77%
110	138,000	35.00	226.32	261.32	47.00	258.06	\$ 305.06	\$ 43.74	16.74%
111	157,000	35.00	257.48	292.48	47.00	293.59	\$ 340.59	\$ 48.11	16.45%
112	159,000	35.00	260.76	295.76	47.00	297.33	\$ 344.33	\$ 48.57	16.42%
113	164,000	35.00	268.96	303.96	47.00	306.68	\$ 353.68	\$ 49.72	16.36%
114	171,000	35.00	280.44	315.44	47.00	319.77	\$ 366.77	\$ 51.33	16.27%
115	179,000	35.00	293.56	328.56	47.00	334.73	\$ 381.73	\$ 53.17	16.18%
116	181,000	35.00	296.84	331.84	47.00	338.47	\$ 385.47	\$ 53.63	16.16%
117	194,000	35.00	318.16	353.16	47.00	362.78	\$ 409.78	\$ 56.62	16.03%
118	207,000	35.00	339.48	374.48	47.00	387.09	\$ 434.09	\$ 59.61	15.92%
119	251,000	35.00	411.64	446.64	47.00	469.37	\$ 516.37	\$ 69.73	15.61%
120	299,000	35.00	490.36	525.36	47.00	559.13	\$ 606.13	\$ 80.77	15.37%
121	338,000	35.00	554.32	589.32	47.00	632.06	\$ 679.06	\$ 89.74	15.23%
122	354,000	35.00	580.56	615.56	47.00	661.98	\$ 708.98	\$ 93.42	15.18%
123	367,000	35.00	601.88	636.88	47.00	686.29	\$ 733.29	\$ 96.41	15.14%
124	374,000	35.00	613.36	648.36	47.00	699.38	\$ 746.38	\$ 98.02	15.12%
125	389,000	35.00	637.96	672.96	47.00	727.43	\$ 774.43	\$ 101.47	15.08%
126	405,000	35.00	664.20	699.20	47.00	757.35	\$ 804.35	\$ 105.15	15.04%
127	569,000	35.00	933.16	968.16	47.00	#####	#####	\$ 142.87	14.76%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
2" Irrigation Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	112.00	-	112.00	151.00	-	\$ 151.00	\$ 39.00	34.82%
2	1,000	112.00	1.64	113.64	151.00	1.87	\$ 152.87	\$ 39.23	34.52%
3	2,000	112.00	3.28	115.28	151.00	3.74	\$ 154.74	\$ 39.46	34.23%
4	3,000	112.00	4.92	116.92	151.00	5.61	\$ 156.61	\$ 39.69	33.95%
5	4,000	112.00	6.56	118.56	151.00	7.48	\$ 158.48	\$ 39.92	33.67%
6	6,000	112.00	9.84	121.84	151.00	11.22	\$ 162.22	\$ 40.38	33.14%
7	7,000	112.00	11.48	123.48	151.00	13.09	\$ 164.09	\$ 40.61	32.89%
8	9,000	112.00	14.76	126.76	151.00	16.83	\$ 167.83	\$ 41.07	32.40%
9	10,000	112.00	16.40	128.40	151.00	18.70	\$ 169.70	\$ 41.30	32.17%
10	15,000	112.00	24.60	136.60	151.00	28.05	\$ 179.05	\$ 42.45	31.08%
11	17,000	112.00	27.88	139.88	151.00	31.79	\$ 182.79	\$ 42.91	30.68%
12	19,000	112.00	31.16	143.16	151.00	35.53	\$ 186.53	\$ 43.37	30.29%
13	20,000	112.00	32.80	144.80	151.00	37.40	\$ 188.40	\$ 43.60	30.11%
14	21,000	112.00	34.44	146.44	151.00	39.27	\$ 190.27	\$ 43.83	29.93%
15	23,000	112.00	37.72	149.72	151.00	43.01	\$ 194.01	\$ 44.29	29.58%
16	26,000	112.00	42.64	154.64	151.00	48.62	\$ 199.62	\$ 44.98	29.09%
17	29,000	112.00	47.56	159.56	151.00	54.23	\$ 205.23	\$ 45.67	28.62%
18	31,000	112.00	50.84	162.84	151.00	57.97	\$ 208.97	\$ 46.13	28.33%
19	35,000	112.00	57.40	169.40	151.00	65.45	\$ 216.45	\$ 47.05	27.77%
20	36,000	112.00	59.04	171.04	151.00	67.32	\$ 218.32	\$ 47.28	27.64%
21	38,000	112.00	62.32	174.32	151.00	71.06	\$ 222.06	\$ 47.74	27.39%
22	40,000	112.00	65.60	177.60	151.00	74.80	\$ 225.80	\$ 48.20	27.14%
23	41,000	112.00	67.24	179.24	151.00	76.67	\$ 227.67	\$ 48.43	27.02%
24	43,000	112.00	70.52	182.52	151.00	80.41	\$ 231.41	\$ 48.89	26.79%
25	45,000	112.00	73.80	185.80	151.00	84.15	\$ 235.15	\$ 49.35	26.56%
26	48,000	112.00	78.72	190.72	151.00	89.76	\$ 240.76	\$ 50.04	26.24%
27	49,000	112.00	80.36	192.36	151.00	91.63	\$ 242.63	\$ 50.27	26.13%
28	56,000	112.00	91.84	203.84	151.00	104.72	\$ 255.72	\$ 51.88	25.45%
29	57,000	112.00	93.48	205.48	151.00	106.59	\$ 257.59	\$ 52.11	25.36%
30	84,000	112.00	137.76	249.76	151.00	157.08	\$ 308.08	\$ 58.32	23.35%
31	104,000	112.00	170.56	282.56	151.00	194.48	\$ 345.48	\$ 62.92	22.27%
32	107,000	112.00	175.48	287.48	151.00	200.09	\$ 351.09	\$ 63.61	22.13%
33	110,000	112.00	180.40	292.40	151.00	205.70	\$ 356.70	\$ 64.30	21.99%
34	113,000	112.00	185.32	297.32	151.00	211.31	\$ 362.31	\$ 64.99	21.86%
35	116,000	112.00	190.24	302.24	151.00	216.92	\$ 367.92	\$ 65.68	21.73%
36	127,000	112.00	208.28	320.28	151.00	237.49	\$ 388.49	\$ 68.21	21.30%
37	129,000	112.00	211.56	323.56	151.00	241.23	\$ 392.23	\$ 68.67	21.22%
38	147,000	112.00	241.08	353.08	151.00	274.89	\$ 425.89	\$ 72.81	20.62%
39	167,000	112.00	273.88	385.88	151.00	312.29	\$ 463.29	\$ 77.41	20.06%
40	170,000	112.00	278.80	390.80	151.00	317.90	\$ 468.90	\$ 78.10	19.98%
41	178,000	112.00	291.92	403.92	151.00	332.86	\$ 483.86	\$ 79.94	19.79%
42	186,000	112.00	305.04	417.04	151.00	347.82	\$ 498.82	\$ 81.78	19.61%
43	197,000	112.00	323.08	435.08	151.00	368.39	\$ 519.39	\$ 84.31	19.38%
44	204,000	112.00	334.56	446.56	151.00	381.48	\$ 532.48	\$ 85.92	19.24%

45	214,000	112.00	350.96	462.96	151.00	400.18	\$	551.18	\$	88.22	19.06%
46	219,000	112.00	359.16	471.16	151.00	409.53	\$	560.53	\$	89.37	18.97%
47	256,000	112.00	419.84	531.84	151.00	478.72	\$	629.72	\$	97.88	18.40%
48	260,000	112.00	426.40	538.40	151.00	486.20	\$	637.20	\$	98.80	18.35%
49	280,000	112.00	459.20	571.20	151.00	523.60	\$	674.60	\$	103.40	18.10%
50	285,000	112.00	467.40	579.40	151.00	532.95	\$	683.95	\$	104.55	18.04%
51	296,000	112.00	485.44	597.44	151.00	553.52	\$	704.52	\$	107.08	17.92%
52	299,000	112.00	490.36	602.36	151.00	559.13	\$	710.13	\$	107.77	17.89%
53	302,000	112.00	495.28	607.28	151.00	564.74	\$	715.74	\$	108.46	17.86%
54	357,000	112.00	585.48	697.48	151.00	667.59	\$	818.59	\$	121.11	17.36%
55	360,000	112.00	590.40	702.40	151.00	673.20	\$	824.20	\$	121.80	17.34%
56	454,000	112.00	744.56	856.56	151.00	848.98	\$	999.98	\$	143.42	16.74%
57	469,000	112.00	769.16	881.16	151.00	877.03	\$	1,028.03	\$	146.87	16.67%
58	500,000	112.00	820.00	932.00	151.00	935.00	\$	1,086.00	\$	154.00	16.52%
59	560,000	112.00	918.40	1,030.40	151.00	1,047.20	\$	1,198.20	\$	167.80	16.28%
60	574,000	112.00	941.36	1,053.36	151.00	1,073.38	\$	1,224.38	\$	171.02	16.24%
61	621,000	112.00	1,018.44	1,130.44	151.00	1,161.27	\$	1,312.27	\$	181.83	16.08%
62	734,000	112.00	1,203.76	1,315.76	151.00	1,372.58	\$	1,523.58	\$	207.82	15.79%
63	840,000	112.00	1,377.60	1,489.60	151.00	1,570.80	\$	1,721.80	\$	232.20	15.59%
64	906,000	112.00	1,485.84	1,597.84	151.00	1,694.22	\$	1,845.22	\$	247.38	15.48%
65	925,000	112.00	1,517.00	1,629.00	151.00	1,729.75	\$	1,880.75	\$	251.75	15.45%
66	927,000	112.00	1,520.28	1,632.28	151.00	1,733.49	\$	1,884.49	\$	252.21	15.45%
67	928,000	112.00	1,521.92	1,633.92	151.00	1,735.36	\$	1,886.36	\$	252.44	15.45%
68	985,000	112.00	1,615.40	1,727.40	151.00	1,841.95	\$	1,992.95	\$	265.55	15.37%
69	1,080,000	112.00	1,771.20	1,883.20	151.00	2,019.60	\$	2,170.60	\$	287.40	15.26%
70	1,242,000	112.00	2,036.88	2,148.88	151.00	2,322.54	\$	2,473.54	\$	324.66	15.11%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

1" School Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	3,000	35.00	5.31	40.31	47.00	6.03	\$ 53.03	\$ 12.72	31.56%
2	8,000	35.00	14.16	49.16	47.00	16.08	\$ 63.08	\$ 13.92	28.32%
3	13,000	35.00	23.01	58.01	47.00	26.13	\$ 73.13	\$ 15.12	26.06%
4	14,000	35.00	24.78	59.78	47.00	28.14	\$ 75.14	\$ 15.36	25.69%
5	16,000	35.00	28.32	63.32	47.00	32.16	\$ 79.16	\$ 15.84	25.02%
6	19,000	35.00	33.63	68.63	47.00	38.19	\$ 85.19	\$ 16.56	24.13%
7	21,000	35.00	37.17	72.17	47.00	42.21	\$ 89.21	\$ 17.04	23.61%
8	23,000	35.00	40.71	75.71	47.00	46.23	\$ 93.23	\$ 17.52	23.14%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

1.5" School Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	12,000	70.00	21.24	91.24	95.00	24.12	\$ 119.12	\$ 27.88	30.56%
2	21,000	70.00	37.17	107.17	95.00	42.21	\$ 137.21	\$ 30.04	28.03%
3	32,000	70.00	56.64	126.64	95.00	64.32	\$ 159.32	\$ 32.68	25.81%
4	34,000	70.00	60.18	130.18	95.00	68.34	\$ 163.34	\$ 33.16	25.47%
5	39,000	70.00	69.03	139.03	95.00	78.39	\$ 173.39	\$ 34.36	24.71%
6	41,000	70.00	72.57	142.57	95.00	82.41	\$ 177.41	\$ 34.84	24.44%
7	43,000	70.00	76.11	146.11	95.00	86.43	\$ 181.43	\$ 35.32	24.17%
8	46,000	70.00	81.42	151.42	95.00	92.46	\$ 187.46	\$ 36.04	23.80%
9	47,000	70.00	83.19	153.19	95.00	94.47	\$ 189.47	\$ 36.28	23.68%
10	51,000	70.00	90.27	160.27	95.00	102.51	\$ 197.51	\$ 37.24	23.24%
11	53,000	70.00	93.81	163.81	95.00	106.53	\$ 201.53	\$ 37.72	23.03%
12	54,000	70.00	95.58	165.58	95.00	108.54	\$ 203.54	\$ 37.96	22.93%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

2" School Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	1,000	112.00	1.77	113.77	151.00	2.01	\$ 153.01	\$ 39.24	34.49%
2	4,000	112.00	7.08	119.08	151.00	8.04	\$ 159.04	\$ 39.96	33.56%
3	5,000	112.00	8.85	120.85	151.00	10.05	\$ 161.05	\$ 40.20	33.26%
4	6,000	112.00	10.62	122.62	151.00	12.06	\$ 163.06	\$ 40.44	32.98%
5	7,000	112.00	12.39	124.39	151.00	14.07	\$ 165.07	\$ 40.68	32.70%
6	8,000	112.00	14.16	126.16	151.00	16.08	\$ 167.08	\$ 40.92	32.44%
7	9,000	112.00	15.93	127.93	151.00	18.09	\$ 169.09	\$ 41.16	32.17%
8	10,000	112.00	17.70	129.70	151.00	20.10	\$ 171.10	\$ 41.40	31.92%
9	11,000	112.00	19.47	131.47	151.00	22.11	\$ 173.11	\$ 41.64	31.67%
10	12,000	112.00	21.24	133.24	151.00	24.12	\$ 175.12	\$ 41.88	31.43%
11	13,000	112.00	23.01	135.01	151.00	26.13	\$ 177.13	\$ 42.12	31.20%
12	14,000	112.00	24.78	136.78	151.00	28.14	\$ 179.14	\$ 42.36	30.97%
13	15,000	112.00	26.55	138.55	151.00	30.15	\$ 181.15	\$ 42.60	30.75%
14	16,000	112.00	28.32	140.32	151.00	32.16	\$ 183.16	\$ 42.84	30.53%
15	17,000	112.00	30.09	142.09	151.00	34.17	\$ 185.17	\$ 43.08	30.32%
16	19,000	112.00	33.63	145.63	151.00	38.19	\$ 189.19	\$ 43.56	29.91%
17	20,000	112.00	35.40	147.40	151.00	40.20	\$ 191.20	\$ 43.80	29.72%
18	21,000	112.00	37.17	149.17	151.00	42.21	\$ 193.21	\$ 44.04	29.52%
19	24,000	112.00	42.48	154.48	151.00	48.24	\$ 199.24	\$ 44.76	28.97%
20	26,000	112.00	46.02	158.02	151.00	52.26	\$ 203.26	\$ 45.24	28.63%
21	28,000	112.00	49.56	161.56	151.00	56.28	\$ 207.28	\$ 45.72	28.30%
22	30,000	112.00	53.10	165.10	151.00	60.30	\$ 211.30	\$ 46.20	27.98%
23	32,000	112.00	56.64	168.64	151.00	64.32	\$ 215.32	\$ 46.68	27.68%
24	34,000	112.00	60.18	172.18	151.00	68.34	\$ 219.34	\$ 47.16	27.39%
25	41,000	112.00	72.57	184.57	151.00	82.41	\$ 233.41	\$ 48.84	26.46%
26	42,000	112.00	74.34	186.34	151.00	84.42	\$ 235.42	\$ 49.08	26.34%
27	48,000	112.00	84.96	196.96	151.00	96.48	\$ 247.48	\$ 50.52	25.65%
28	68,000	112.00	120.36	232.36	151.00	136.68	\$ 287.68	\$ 55.32	23.81%
29	83,000	112.00	146.91	258.91	151.00	166.83	\$ 317.83	\$ 58.92	22.76%
30	90,000	112.00	159.30	271.30	151.00	180.90	\$ 331.90	\$ 60.60	22.34%
31	95,000	112.00	168.15	280.15	151.00	190.95	\$ 341.95	\$ 61.80	22.06%
32	126,000	112.00	223.02	335.02	151.00	253.26	\$ 404.26	\$ 69.24	20.67%
33	131,000	112.00	231.87	343.87	151.00	263.31	\$ 414.31	\$ 70.44	20.48%
34	135,000	112.00	238.95	350.95	151.00	271.35	\$ 422.35	\$ 71.40	20.34%
35	157,000	112.00	277.89	389.89	151.00	315.57	\$ 466.57	\$ 76.68	19.67%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

6" School Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	105,000	700.00	185.85	885.85	700.00	211.05	\$ 911.05	\$ 25.20	2.84%
2	128,000	700.00	226.56	926.56	700.00	257.28	\$ 957.28	\$ 30.72	3.32%
3	144,000	700.00	254.88	954.88	700.00	289.44	\$ 989.44	\$ 34.56	3.62%
4	172,000	700.00	304.44	1,004.44	700.00	345.72	\$ 1,045.72	\$ 41.28	4.11%
5	226,000	700.00	400.02	1,100.02	700.00	454.26	\$ 1,154.26	\$ 54.24	4.93%
6	239,000	700.00	423.03	1,123.03	700.00	480.39	\$ 1,180.39	\$ 57.36	5.11%
7	306,000	700.00	541.62	1,241.62	700.00	615.06	\$ 1,315.06	\$ 73.44	5.91%
8	313,000	700.00	554.01	1,254.01	700.00	629.13	\$ 1,329.13	\$ 75.12	5.99%
9	314,000	700.00	555.78	1,255.78	700.00	631.14	\$ 1,331.14	\$ 75.36	6.00%
10	343,000	700.00	607.11	1,307.11	700.00	689.43	\$ 1,389.43	\$ 82.32	6.30%
11	363,000	700.00	642.51	1,342.51	700.00	729.63	\$ 1,429.63	\$ 87.12	6.49%
12	380,000	700.00	672.60	1,372.60	700.00	763.80	\$ 1,463.80	\$ 91.20	6.64%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
5/8" Wholesale Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	789,000	-	1,396.53	1,396.53	-	1,585.89	\$ 1,585.89	\$ 189.36	13.56%
2	813,000	-	1,439.01	1,439.01	-	1,634.13	\$ 1,634.13	\$ 195.12	13.56%
3	814,000	-	1,440.78	1,440.78	-	1,636.14	\$ 1,636.14	\$ 195.36	13.56%
4	922,000	-	1,631.94	1,631.94	-	1,853.22	\$ 1,853.22	\$ 221.28	13.56%
5	962,000	-	1,702.74	1,702.74	-	1,933.62	\$ 1,933.62	\$ 230.88	13.56%
6	1,038,000	-	1,837.26	1,837.26	-	2,086.38	\$ 2,086.38	\$ 249.12	13.56%
7	1,087,000	-	1,923.99	1,923.99	-	2,184.87	\$ 2,184.87	\$ 260.88	13.56%
8	1,133,000	-	2,005.41	2,005.41	-	2,277.33	\$ 2,277.33	\$ 271.92	13.56%
9	1,148,000	-	2,031.96	2,031.96	-	2,307.48	\$ 2,307.48	\$ 275.52	13.56%
10	1,177,000	-	2,083.29	2,083.29	-	2,365.77	\$ 2,365.77	\$ 282.48	13.56%
11	1,343,000	-	2,377.11	2,377.11	-	2,699.43	\$ 2,699.43	\$ 322.32	13.56%
12	1,384,000	-	2,449.68	2,449.68	-	2,781.84	\$ 2,781.84	\$ 332.16	13.56%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

1" Wholesale Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	-	-	-	-	-	\$ -	\$ -	#DIV/0!
2	12,000	-	21.24	21.24	-	24.12	\$ 24.12	\$ 2.88	13.56%
3	13,000	-	23.01	23.01	-	26.13	\$ 26.13	\$ 3.12	13.56%
4	14,000	-	24.78	24.78	-	28.14	\$ 28.14	\$ 3.36	13.56%
5	15,000	-	26.55	26.55	-	30.15	\$ 30.15	\$ 3.60	13.56%
6	16,000	-	28.32	28.32	-	32.16	\$ 32.16	\$ 3.84	13.56%
7	17,000	-	30.09	30.09	-	34.17	\$ 34.17	\$ 4.08	13.56%
8	18,000	-	31.86	31.86	-	36.18	\$ 36.18	\$ 4.32	13.56%
9	23,000	-	40.71	40.71	-	46.23	\$ 46.23	\$ 5.52	13.56%
10	30,000	-	53.10	53.10	-	60.30	\$ 60.30	\$ 7.20	13.56%
11	31,000	-	54.87	54.87	-	62.31	\$ 62.31	\$ 7.44	13.56%
12	41,000	-	72.57	72.57	-	82.41	\$ 82.41	\$ 9.84	13.56%
13	47,000	-	83.19	83.19	-	94.47	\$ 94.47	\$ 11.28	13.56%
14	51,000	-	90.27	90.27	-	102.51	\$ 102.51	\$ 12.24	13.56%
15	54,000	-	95.58	95.58	-	108.54	\$ 108.54	\$ 12.96	13.56%
16	55,000	-	97.35	97.35	-	110.55	\$ 110.55	\$ 13.20	13.56%
17	56,000	-	99.12	99.12	-	112.56	\$ 112.56	\$ 13.44	13.56%
18	59,000	-	104.43	104.43	-	118.59	\$ 118.59	\$ 14.16	13.56%
19	60,000	-	106.20	106.20	-	120.60	\$ 120.60	\$ 14.40	13.56%
20	68,000	-	120.36	120.36	-	136.68	\$ 136.68	\$ 16.32	13.56%
21	72,000	-	127.44	127.44	-	144.72	\$ 144.72	\$ 17.28	13.56%
22	76,000	-	134.52	134.52	-	152.76	\$ 152.76	\$ 18.24	13.56%
23	80,000	-	141.60	141.60	-	160.80	\$ 160.80	\$ 19.20	13.56%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis
4" Wholesale Bills

Exhibit:
Schedule H-4

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	23,000	-	40.71	40.71	-	46.23	\$ 46.23	\$ 5.52	13.56%
2	24,000	-	42.48	42.48	-	48.24	\$ 48.24	\$ 5.76	13.56%
3	27,000	-	47.79	47.79	-	54.27	\$ 54.27	\$ 6.48	13.56%
4	29,000	-	51.33	51.33	-	58.29	\$ 58.29	\$ 6.96	13.56%
5	37,000	-	65.49	65.49	-	74.37	\$ 74.37	\$ 8.88	13.56%
6	38,000	-	67.26	67.26	-	76.38	\$ 76.38	\$ 9.12	13.56%
7	43,000	-	76.11	76.11	-	86.43	\$ 86.43	\$ 10.32	13.56%
8	53,000	-	93.81	93.81	-	106.53	\$ 106.53	\$ 12.72	13.56%
9	58,000	-	102.66	102.66	-	116.58	\$ 116.58	\$ 13.92	13.56%
10	59,000	-	104.43	104.43	-	118.59	\$ 118.59	\$ 14.16	13.56%
11	73,000	-	129.21	129.21	-	146.73	\$ 146.73	\$ 17.52	13.56%
12	76,000	-	134.52	134.52	-	152.76	\$ 152.76	\$ 18.24	13.56%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Typical Bill Analysis

Exhibit:
Schedule H-4

6" Wholesale Bills

Witness: Jason
Martin

Line No.	Consumption	Present Rates			Proposed Rates			Proposed Increase	
		Base Charge	Usage Charge	Total Bill	Base Charge	Usage Charge	Total Bill	Amount	Percentage
1	-	-	-	-	-	-	\$ -	\$ -	#DIV/0!
2	1,000	-	1.77	1.77	-	2.01	\$ 2.01	\$ 0.24	13.56%
3	4,000	-	7.08	7.08	-	8.04	\$ 8.04	\$ 0.96	13.56%
4	9,000	-	15.93	15.93	-	18.09	\$ 18.09	\$ 2.16	13.56%
5	21,000	-	37.17	37.17	-	42.21	\$ 42.21	\$ 5.04	13.56%
6	32,000	-	56.64	56.64	-	64.32	\$ 64.32	\$ 7.68	13.56%
7	37,000	-	65.49	65.49	-	74.37	\$ 74.37	\$ 8.88	13.56%
8	78,000	-	138.06	138.06	-	156.78	\$ 156.78	\$ 18.72	13.56%
9	90,000	-	159.30	159.30	-	180.90	\$ 180.90	\$ 21.60	13.56%
10	94,000	-	166.38	166.38	-	188.94	\$ 188.94	\$ 22.56	13.56%
11	98,000	-	173.46	173.46	-	196.98	\$ 196.98	\$ 23.52	13.56%
12	114,000	-	201.78	201.78	-	229.14	\$ 229.14	\$ 27.36	13.56%
13	135,000	-	238.95	238.95	-	271.35	\$ 271.35	\$ 32.40	13.56%
14	2,745,000	-	4,858.65	4,858.65	-	5,517.45	\$ 5,517.45	\$ 658.80	13.56%
15	2,921,000	-	5,170.17	5,170.17	-	5,871.21	\$ 5,871.21	\$ 701.04	13.56%
16	2,959,000	-	5,237.43	5,237.43	-	5,947.59	\$ 5,947.59	\$ 710.16	13.56%
17	3,098,000	-	5,483.46	5,483.46	-	6,226.98	\$ 6,226.98	\$ 743.52	13.56%
18	3,160,000	-	5,593.20	5,593.20	-	6,351.60	\$ 6,351.60	\$ 758.40	13.56%
19	3,191,000	-	5,648.07	5,648.07	-	6,413.91	\$ 6,413.91	\$ 765.84	13.56%
20	3,257,000	-	5,764.89	5,764.89	-	6,546.57	\$ 6,546.57	\$ 781.68	13.56%
21	3,359,000	-	5,945.43	5,945.43	-	6,751.59	\$ 6,751.59	\$ 806.16	13.56%
22	3,388,000	-	5,996.76	5,996.76	-	6,809.88	\$ 6,809.88	\$ 813.12	13.56%
23	3,482,000	-	6,163.14	6,163.14	-	6,998.82	\$ 6,998.82	\$ 835.68	13.56%
24	3,779,000	-	6,688.83	6,688.83	-	7,595.79	\$ 7,595.79	\$ 906.96	13.56%
25	3,933,000	-	6,961.41	6,961.41	-	7,905.33	\$ 7,905.33	\$ 943.92	13.56%
26	3,971,000	-	7,028.67	7,028.67	-	7,981.71	\$ 7,981.71	\$ 953.04	13.56%
27	3,992,000	-	7,065.84	7,065.84	-	8,023.92	\$ 8,023.92	\$ 958.08	13.56%
28	4,020,000	-	7,115.40	7,115.40	-	8,080.20	\$ 8,080.20	\$ 964.80	13.56%
29	4,027,000	-	7,127.79	7,127.79	-	8,094.27	\$ 8,094.27	\$ 966.48	13.56%
30	4,103,000	-	7,262.31	7,262.31	-	8,247.03	\$ 8,247.03	\$ 984.72	13.56%
31	4,176,000	-	7,391.52	7,391.52	-	8,393.76	\$ 8,393.76	\$ 1,002.24	13.56%
32	4,458,000	-	7,890.66	7,890.66	-	8,960.58	\$ 8,960.58	\$ 1,069.92	13.56%
33	4,473,000	-	7,917.21	7,917.21	-	8,990.73	\$ 8,990.73	\$ 1,073.52	13.56%
34	4,836,000	-	8,559.72	8,559.72	-	9,720.36	\$ 9,720.36	\$ 1,160.64	13.56%
35	4,891,000	-	8,657.07	8,657.07	-	9,830.91	\$ 9,830.91	\$ 1,173.84	13.56%
36	4,912,000	-	8,694.24	8,694.24	-	9,873.12	\$ 9,873.12	\$ 1,178.88	13.56%
37	5,573,000	-	9,864.21	9,864.21	-	11,201.73	\$ 11,201.73	\$ 1,337.52	13.56%

Supporting Schedules : H-3

Bermuda Water Company
Test Year Ended: 8/31.2015
5/8" Residential Bills

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor
		Bills	Usage	Bills	Usage		
1	-	6,579	-	6,579	-	81,645	-
2	1,000	5,523	5,523,000	12,102	5,523,000	76,122	81,645,000
3	2,000	7,094	14,188,000	19,196	19,711,000	69,028	157,767,000
4	3,000	8,056	24,168,000	27,252	43,879,000	60,972	226,795,000
5	4,000	8,017	32,068,000	35,269	75,947,000	52,955	287,767,000
6	5,000	7,678	38,390,000	42,947	114,337,000	45,277	340,722,000
7	6,000	6,938	41,628,000	49,885	155,965,000	38,339	385,999,000
8	7,000	5,945	41,615,000	55,830	197,580,000	32,394	424,338,000
9	8,000	4,960	39,680,000	60,790	237,260,000	27,434	456,732,000
10	9,000	4,248	38,232,000	65,038	275,492,000	23,186	484,166,000
11	10,000	3,474	34,740,000	68,512	310,232,000	19,712	507,352,000
12	11,000	2,849	31,339,000	71,361	341,571,000	16,863	527,064,000
13	12,000	2,304	27,648,000	73,665	369,219,000	14,559	543,927,000
14	13,000	1,957	25,441,000	75,622	394,660,000	12,602	558,486,000
15	14,000	1,622	22,708,000	77,244	417,368,000	10,980	571,088,000
16	15,000	1,359	20,385,000	78,603	437,753,000	9,621	582,068,000
17	16,000	1,194	19,104,000	79,797	456,857,000	8,427	591,689,000
18	17,000	973	16,541,000	80,770	473,398,000	7,454	600,116,000
19	18,000	892	16,056,000	81,662	489,454,000	6,562	607,570,000
20	19,000	736	13,984,000	82,398	503,438,000	5,826	614,132,000
21	20,000	638	12,760,000	83,036	516,198,000	5,188	619,958,000
22	21,000	570	11,970,000	83,606	528,168,000	4,618	625,146,000
23	22,000	454	9,988,000	84,060	538,156,000	4,164	629,764,000
24	23,000	367	8,441,000	84,427	546,597,000	3,797	633,928,000
25	24,000	373	8,952,000	84,800	555,549,000	3,424	637,725,000
26	25,000	319	7,975,000	85,119	563,524,000	3,105	641,149,000
27	26,000	289	7,514,000	85,408	571,038,000	2,816	644,254,000
28	27,000	256	6,912,000	85,664	577,950,000	2,560	647,070,000
29	28,000	232	6,496,000	85,896	584,446,000	2,328	649,630,000
30	29,000	205	5,945,000	86,101	590,391,000	2,123	651,958,000
31	30,000	160	4,800,000	86,261	595,191,000	1,963	654,081,000
32	31,000	147	4,557,000	86,408	599,748,000	1,816	656,044,000
33	32,000	138	4,416,000	86,546	604,164,000	1,678	657,860,000
34	33,000	150	4,950,000	86,696	609,114,000	1,528	659,538,000
35	34,000	122	4,148,000	86,818	613,262,000	1,406	661,066,000
36	35,000	101	3,535,000	86,919	616,797,000	1,305	662,472,000
37	36,000	111	3,996,000	87,030	620,793,000	1,194	663,777,000
38	37,000	93	3,441,000	87,123	624,234,000	1,101	664,971,000
39	38,000	77	2,926,000	87,200	627,160,000	1,024	666,072,000
40	39,000	83	3,237,000	87,283	630,397,000	941	667,096,000
41	40,000	71	2,840,000	87,354	633,237,000	870	668,037,000

42	41,000	64	2,624,000	87,418	635,861,000	806	668,907,000
43	42,000	55	2,310,000	87,473	638,171,000	751	669,713,000
44	43,000	45	1,935,000	87,518	640,106,000	706	670,464,000
45	44,000	43	1,892,000	87,561	641,998,000	663	671,170,000
46	45,000	45	2,025,000	87,606	644,023,000	618	671,833,000
47	46,000	45	2,070,000	87,651	646,093,000	573	672,451,000
48	47,000	44	2,068,000	87,695	648,161,000	529	673,024,000
49	48,000	26	1,248,000	87,721	649,409,000	503	673,553,000
50	49,000	23	1,127,000	87,744	650,536,000	480	674,056,000
51	50,000	30	1,500,000	87,774	652,036,000	450	674,536,000
52	51,000	22	1,122,000	87,796	653,158,000	428	674,986,000
53	52,000	26	1,352,000	87,822	654,510,000	402	675,414,000
54	53,000	16	848,000	87,838	655,358,000	386	675,816,000
55	54,000	31	1,674,000	87,869	657,032,000	355	676,202,000
56	55,000	19	1,045,000	87,888	658,077,000	336	676,557,000
57	56,000	20	1,120,000	87,908	659,197,000	316	676,893,000
58	57,000	13	741,000	87,921	659,938,000	303	677,209,000
59	58,000	14	812,000	87,935	660,750,000	289	677,512,000
60	59,000	11	649,000	87,946	661,399,000	278	677,801,000
61	60,000	17	1,020,000	87,963	662,419,000	261	678,079,000
62	61,000	10	610,000	87,973	663,029,000	251	678,340,000
63	62,000	14	868,000	87,987	663,897,000	237	678,591,000
64	63,000	10	630,000	87,997	664,527,000	227	678,828,000
65	64,000	11	704,000	88,008	665,231,000	216	679,055,000
66	65,000	10	650,000	88,018	665,881,000	206	679,271,000
67	66,000	9	594,000	88,027	666,475,000	197	679,477,000
68	67,000	10	670,000	88,037	667,145,000	187	679,674,000
69	68,000	5	340,000	88,042	667,485,000	182	679,861,000
70	69,000	8	552,000	88,050	668,037,000	174	680,043,000
71	70,000	9	630,000	88,059	668,667,000	165	680,217,000
72	71,000	8	568,000	88,067	669,235,000	157	680,382,000
73	72,000	7	504,000	88,074	669,739,000	150	680,539,000
74	73,000	5	365,000	88,079	670,104,000	145	680,689,000
75	74,000	4	296,000	88,083	670,400,000	141	680,834,000
76	75,000	5	375,000	88,088	670,775,000	136	680,975,000
77	76,000	8	608,000	88,096	671,383,000	128	681,111,000
78	77,000	5	385,000	88,101	671,768,000	123	681,239,000
79	78,000	5	390,000	88,106	672,158,000	118	681,362,000
80	79,000	3	237,000	88,109	672,395,000	115	681,480,000
81	80,000	3	240,000	88,112	672,635,000	112	681,595,000
82	81,000	2	162,000	88,114	672,797,000	110	681,707,000
83	82,000	2	164,000	88,116	672,961,000	108	681,817,000
84	83,000	4	332,000	88,120	673,293,000	104	681,925,000
85	84,000	5	420,000	88,125	673,713,000	99	682,029,000
86	85,000	2	170,000	88,127	673,883,000	97	682,128,000
87	86,000	4	344,000	88,131	674,227,000	93	682,225,000
88	87,000	3	261,000	88,134	674,488,000	90	682,318,000
89	88,000	3	264,000	88,137	674,752,000	87	682,408,000
90	89,000	5	445,000	88,142	675,197,000	82	682,495,000
91	90,000	2	180,000	88,144	675,377,000	80	682,577,000
92	91,000	3	273,000	88,147	675,650,000	77	682,657,000

93	92,000	1	92,000	88,148	675,742,000	76	682,734,000
94	93,000	2	186,000	88,150	675,928,000	74	682,810,000
95	94,000	3	282,000	88,153	676,210,000	71	682,884,000
96	95,000	1	95,000	88,154	676,305,000	70	682,955,000
97	97,000	3	291,000	88,157	676,596,000	67	683,095,000
98	98,000	1	98,000	88,158	676,694,000	66	683,162,000
99	99,000	2	198,000	88,160	676,892,000	64	683,228,000
100	100,000	2	200,000	88,162	677,092,000	62	683,292,000
101	101,000	1	101,000	88,163	677,193,000	61	683,354,000
102	103,000	2	206,000	88,165	677,399,000	59	683,476,000
103	105,000	3	315,000	88,168	677,714,000	56	683,594,000
104	106,000	3	318,000	88,171	678,032,000	53	683,650,000
105	107,000	3	321,000	88,174	678,353,000	50	683,703,000
106	108,000	2	216,000	88,176	678,569,000	48	683,753,000
107	109,000	3	327,000	88,179	678,896,000	45	683,801,000
108	110,000	2	220,000	88,181	679,116,000	43	683,846,000
109	113,000	2	226,000	88,183	679,342,000	41	683,975,000
110	114,000	2	228,000	88,185	679,570,000	39	684,016,000
111	115,000	3	345,000	88,188	679,915,000	36	684,055,000
112	117,000	1	117,000	88,189	680,032,000	35	684,127,000
113	118,000	2	236,000	88,191	680,268,000	33	684,162,000
114	119,000	1	119,000	88,192	680,387,000	32	684,195,000
115	120,000	2	240,000	88,194	680,627,000	30	684,227,000
116	122,000	1	122,000	88,195	680,749,000	29	684,287,000
117	123,000	1	123,000	88,196	680,872,000	28	684,316,000
118	124,000	1	124,000	88,197	680,996,000	27	684,344,000
119	125,000	1	125,000	88,198	681,121,000	26	684,371,000
120	127,000	1	127,000	88,199	681,248,000	25	684,423,000
121	128,000	2	256,000	88,201	681,504,000	23	684,448,000
122	129,000	1	129,000	88,202	681,633,000	22	684,471,000
123	131,000	1	131,000	88,203	681,764,000	21	684,515,000
124	132,000	2	264,000	88,205	682,028,000	19	684,536,000
125	133,000	2	266,000	88,207	682,294,000	17	684,555,000
126	138,000	1	138,000	88,208	682,432,000	16	684,640,000
127	143,000	1	143,000	88,209	682,575,000	15	684,720,000
128	145,000	2	290,000	88,211	682,865,000	13	684,750,000
129	151,000	1	151,000	88,212	683,016,000	12	684,828,000
130	153,000	1	153,000	88,213	683,169,000	11	684,852,000
131	156,000	1	156,000	88,214	683,325,000	10	684,885,000
132	161,000	1	161,000	88,215	683,486,000	9	684,935,000
133	163,000	1	163,000	88,216	683,649,000	8	684,953,000
134	173,000	2	346,000	88,218	683,995,000	6	685,033,000
135	174,000	1	174,000	88,219	684,169,000	5	685,039,000
136	184,000	1	184,000	88,220	684,353,000	4	685,089,000
137	188,000	1	188,000	88,221	684,541,000	3	685,105,000
138	214,000	1	214,000	88,222	684,755,000	2	685,183,000
139	231,000	1	231,000	88,223	684,986,000	1	685,217,000
140	281,000	1	281,000	88,224	685,267,000	-	685,267,000

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Exhibit:
Schedule H-5

Witness: Jason
Martin

Percentage of Total

0.00%
11.91%
23.02%
33.10%
41.99%
49.72%
56.33%
61.92%
66.65%
70.65%
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76.91%
79.37%
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84.94%
86.34%
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Bermuda Water Company
Test Year Ended: 8/31.2015
1" Residential Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	76	-	76	-	827	-	0.00%
2	1,000	57	57,000	133	57,000	770	827,000	5.93%
3	2,000	57	114,000	190	171,000	713	1,597,000	11.44%
4	3,000	52	156,000	242	327,000	661	2,310,000	16.55%
5	4,000	54	216,000	296	543,000	607	2,971,000	21.29%
6	5,000	55	275,000	351	818,000	552	3,578,000	25.64%
7	6,000	43	258,000	394	1,076,000	509	4,130,000	29.59%
8	7,000	37	259,000	431	1,335,000	472	4,639,000	33.24%
9	8,000	37	296,000	468	1,631,000	435	5,111,000	36.62%
10	9,000	41	369,000	509	2,000,000	394	5,546,000	39.74%
11	10,000	35	350,000	544	2,350,000	359	5,940,000	42.56%
12	11,000	26	286,000	570	2,636,000	333	6,299,000	45.13%
13	12,000	27	324,000	597	2,960,000	306	6,632,000	47.52%
14	13,000	16	208,000	613	3,168,000	290	6,938,000	49.71%
15	14,000	23	322,000	636	3,490,000	267	7,228,000	51.79%
16	15,000	15	225,000	651	3,715,000	252	7,495,000	53.70%
17	16,000	12	192,000	663	3,907,000	240	7,747,000	55.51%
18	17,000	8	136,000	671	4,043,000	232	7,987,000	57.23%
19	18,000	13	234,000	684	4,277,000	219	8,219,000	58.89%
20	19,000	12	228,000	696	4,505,000	207	8,438,000	60.46%
21	20,000	12	240,000	708	4,745,000	195	8,645,000	61.94%
22	21,000	10	210,000	718	4,955,000	185	8,840,000	63.34%
23	22,000	5	110,000	723	5,065,000	180	9,025,000	64.67%
24	23,000	6	138,000	729	5,203,000	174	9,205,000	65.96%
25	24,000	8	192,000	737	5,395,000	166	9,379,000	67.20%
26	25,000	6	150,000	743	5,545,000	160	9,545,000	68.39%
27	26,000	11	286,000	754	5,831,000	149	9,705,000	69.54%
28	27,000	9	243,000	763	6,074,000	140	9,854,000	70.61%
29	28,000	5	140,000	768	6,214,000	135	9,994,000	71.61%
30	29,000	8	232,000	776	6,446,000	127	10,129,000	72.58%
31	30,000	3	90,000	779	6,536,000	124	10,256,000	73.49%
32	31,000	2	62,000	781	6,598,000	122	10,380,000	74.38%
33	32,000	5	160,000	786	6,758,000	117	10,502,000	75.25%
34	33,000	2	66,000	788	6,824,000	115	10,619,000	76.09%
35	34,000	1	34,000	789	6,858,000	114	10,734,000	76.91%
36	35,000	5	175,000	794	7,033,000	109	10,848,000	77.73%
37	36,000	1	36,000	795	7,069,000	108	10,957,000	78.51%
38	37,000	2	74,000	797	7,143,000	106	11,065,000	79.28%
39	38,000	3	114,000	800	7,257,000	103	11,171,000	80.04%
40	39,000	2	78,000	802	7,335,000	101	11,274,000	80.78%
41	40,000	3	120,000	805	7,455,000	98	11,375,000	81.51%
42	41,000	1	41,000	806	7,496,000	97	11,473,000	82.21%

43	42,000	2	84,000	808	7,580,000	95	11,570,000	82.90%
44	43,000	2	86,000	810	7,666,000	93	11,665,000	83.58%
45	44,000	3	132,000	813	7,798,000	90	11,758,000	84.25%
46	45,000	3	135,000	816	7,933,000	87	11,848,000	84.90%
47	46,000	7	322,000	823	8,255,000	80	11,935,000	85.52%
48	48,000	3	144,000	826	8,399,000	77	12,095,000	86.67%
49	49,000	2	98,000	828	8,497,000	75	12,172,000	87.22%
50	50,000	1	50,000	829	8,547,000	74	12,247,000	87.75%
51	51,000	3	153,000	832	8,700,000	71	12,321,000	88.28%
52	52,000	4	208,000	836	8,908,000	67	12,392,000	88.79%
53	53,000	5	265,000	841	9,173,000	62	12,459,000	89.27%
54	54,000	3	162,000	844	9,335,000	59	12,521,000	89.72%
55	55,000	3	165,000	847	9,500,000	56	12,580,000	90.14%
56	56,000	2	112,000	849	9,612,000	54	12,636,000	90.54%
57	57,000	3	171,000	852	9,783,000	51	12,690,000	90.93%
58	58,000	1	58,000	853	9,841,000	50	12,741,000	91.29%
59	59,000	2	118,000	855	9,959,000	48	12,791,000	91.65%
60	60,000	4	240,000	859	10,199,000	44	12,839,000	92.00%
61	61,000	1	61,000	860	10,260,000	43	12,883,000	92.31%
62	62,000	2	124,000	862	10,384,000	41	12,926,000	92.62%
63	63,000	1	63,000	863	10,447,000	40	12,967,000	92.91%
64	64,000	2	128,000	865	10,575,000	38	13,007,000	93.20%
65	65,000	1	65,000	866	10,640,000	37	13,045,000	93.47%
66	68,000	1	68,000	867	10,708,000	36	13,156,000	94.27%
67	70,000	2	140,000	869	10,848,000	34	13,228,000	94.78%
68	71,000	3	213,000	872	11,061,000	31	13,262,000	95.03%
69	72,000	2	144,000	874	11,205,000	29	13,293,000	95.25%
70	73,000	3	219,000	877	11,424,000	26	13,322,000	95.46%
71	74,000	1	74,000	878	11,498,000	25	13,348,000	95.64%
72	75,000	1	75,000	879	11,573,000	24	13,373,000	95.82%
73	76,000	1	76,000	880	11,649,000	23	13,397,000	95.99%
74	78,000	1	78,000	881	11,727,000	22	13,443,000	96.32%
75	80,000	1	80,000	882	11,807,000	21	13,487,000	96.64%
76	81,000	3	243,000	885	12,050,000	18	13,508,000	96.79%
77	84,000	2	168,000	887	12,218,000	16	13,562,000	97.18%
78	86,000	2	172,000	889	12,390,000	14	13,594,000	97.41%
79	87,000	2	174,000	891	12,564,000	12	13,608,000	97.51%
80	91,000	1	91,000	892	12,655,000	11	13,656,000	97.85%
81	92,000	2	184,000	894	12,839,000	9	13,667,000	97.93%
82	99,000	1	99,000	895	12,938,000	8	13,730,000	98.38%
83	100,000	1	100,000	896	13,038,000	7	13,738,000	98.44%
84	108,000	1	108,000	897	13,146,000	6	13,794,000	98.84%
85	111,000	1	111,000	898	13,257,000	5	13,812,000	98.97%
86	112,000	1	112,000	899	13,369,000	4	13,817,000	99.00%
87	113,000	1	113,000	900	13,482,000	3	13,821,000	99.03%
88	124,000	1	124,000	901	13,606,000	2	13,854,000	99.27%
89	167,000	1	167,000	902	13,773,000	1	13,940,000	99.89%
90	183,000	1	183,000	903	13,956,000	-	13,956,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1.5" Residential Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	8	-	8	-	16	-	0.00%
2	1,000	2	2,000	10	2,000	14	16,000	10.13%
3	4,000	2	8,000	12	10,000	12	58,000	36.71%
4	8,000	1	8,000	13	18,000	11	106,000	67.09%
5	9,000	3	27,000	16	45,000	8	117,000	74.05%
6	10,000	2	20,000	18	65,000	6	125,000	79.11%
7	11,000	1	11,000	19	76,000	5	131,000	82.91%
8	12,000	2	24,000	21	100,000	3	136,000	86.08%
9	14,000	1	14,000	22	114,000	2	142,000	89.87%
10	18,000	1	18,000	23	132,000	1	150,000	94.94%
11	26,000	1	26,000	24	158,000	-	158,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
2" Residential Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	1	-	1	-	420	-	0.00%
2	3,000	3	9,000	4	9,000	417	1,260,000	6.83%
3	4,000	1	4,000	5	13,000	416	1,677,000	9.09%
4	5,000	5	25,000	10	38,000	411	2,093,000	11.35%
5	6,000	5	30,000	15	68,000	406	2,504,000	13.57%
6	7,000	14	98,000	29	166,000	392	2,910,000	15.77%
7	8,000	17	136,000	46	302,000	375	3,302,000	17.90%
8	9,000	21	189,000	67	491,000	354	3,677,000	19.93%
9	10,000	20	200,000	87	691,000	334	4,031,000	21.85%
10	11,000	18	198,000	105	889,000	316	4,365,000	23.66%
11	12,000	26	312,000	131	1,201,000	290	4,681,000	25.38%
12	13,000	18	234,000	149	1,435,000	272	4,971,000	26.95%
13	14,000	22	308,000	171	1,743,000	250	5,243,000	28.42%
14	15,000	16	240,000	187	1,983,000	234	5,493,000	29.78%
15	16,000	15	240,000	202	2,223,000	219	5,727,000	31.05%
16	17,000	16	272,000	218	2,495,000	203	5,946,000	32.23%
17	18,000	8	144,000	226	2,639,000	195	6,149,000	33.33%
18	19,000	15	285,000	241	2,924,000	180	6,344,000	34.39%
19	20,000	10	200,000	251	3,124,000	170	6,524,000	35.37%
20	21,000	8	168,000	259	3,292,000	162	6,694,000	36.29%
21	22,000	13	286,000	272	3,578,000	149	6,856,000	37.17%
22	23,000	8	184,000	280	3,762,000	141	7,005,000	37.97%
23	24,000	1	24,000	281	3,786,000	140	7,146,000	38.74%
24	25,000	4	100,000	285	3,886,000	136	7,286,000	39.50%
25	26,000	10	260,000	295	4,146,000	126	7,422,000	40.23%
26	27,000	7	189,000	302	4,335,000	119	7,548,000	40.92%
27	28,000	4	112,000	306	4,447,000	115	7,667,000	41.56%
28	29,000	6	174,000	312	4,621,000	109	7,782,000	42.19%
29	30,000	4	120,000	316	4,741,000	105	7,891,000	42.78%
30	31,000	2	62,000	318	4,803,000	103	7,996,000	43.35%
31	32,000	1	32,000	319	4,835,000	102	8,099,000	43.90%
32	33,000	2	66,000	321	4,901,000	100	8,201,000	44.46%
33	34,000	1	34,000	322	4,935,000	99	8,301,000	45.00%
34	36,000	1	36,000	323	4,971,000	98	8,499,000	46.07%
35	38,000	1	38,000	324	5,009,000	97	8,695,000	47.14%
36	39,000	2	78,000	326	5,087,000	95	8,792,000	47.66%
37	41,000	2	82,000	328	5,169,000	93	8,982,000	48.69%
38	42,000	1	42,000	329	5,211,000	92	9,075,000	49.19%
39	43,000	3	129,000	332	5,340,000	89	9,167,000	49.69%
40	44,000	1	44,000	333	5,384,000	88	9,256,000	50.18%
41	45,000	4	180,000	337	5,564,000	84	9,344,000	50.65%
42	46,000	1	46,000	338	5,610,000	83	9,428,000	51.11%

43	47,000	1	47,000	339	5,657,000	82	9,511,000	51.56%
44	50,000	1	50,000	340	5,707,000	81	9,757,000	52.89%
45	51,000	2	102,000	342	5,809,000	79	9,838,000	53.33%
46	52,000	1	52,000	343	5,861,000	78	9,917,000	53.76%
47	53,000	2	106,000	345	5,967,000	76	9,995,000	54.18%
48	54,000	3	162,000	348	6,129,000	73	10,071,000	54.59%
49	55,000	3	165,000	351	6,294,000	70	10,144,000	54.99%
50	58,000	3	174,000	354	6,468,000	67	10,354,000	56.13%
51	59,000	2	118,000	356	6,586,000	65	10,421,000	56.49%
52	60,000	1	60,000	357	6,646,000	64	10,486,000	56.84%
53	64,000	1	64,000	358	6,710,000	63	10,742,000	58.23%
54	65,000	3	195,000	361	6,905,000	60	10,805,000	58.57%
55	66,000	1	66,000	362	6,971,000	59	10,865,000	58.90%
56	68,000	1	68,000	363	7,039,000	58	10,983,000	59.54%
57	69,000	1	69,000	364	7,108,000	57	11,041,000	59.85%
58	70,000	2	140,000	366	7,248,000	55	11,098,000	60.16%
59	72,000	1	72,000	367	7,320,000	54	11,208,000	60.76%
60	75,000	1	75,000	368	7,395,000	53	11,370,000	61.64%
61	77,000	1	77,000	369	7,472,000	52	11,476,000	62.21%
62	78,000	2	156,000	371	7,628,000	50	11,528,000	62.49%
63	81,000	1	81,000	372	7,709,000	49	11,678,000	63.31%
64	84,000	1	84,000	373	7,793,000	48	11,825,000	64.10%
65	85,000	3	255,000	376	8,048,000	45	11,873,000	64.36%
66	87,000	3	261,000	379	8,309,000	42	11,963,000	64.85%
67	90,000	1	90,000	380	8,399,000	41	12,089,000	65.53%
68	96,000	1	96,000	381	8,495,000	40	12,335,000	66.87%
69	99,000	1	99,000	382	8,594,000	39	12,455,000	67.52%
70	100,000	1	100,000	383	8,694,000	38	12,494,000	67.73%
71	103,000	1	103,000	384	8,797,000	37	12,608,000	68.35%
72	104,000	2	208,000	386	9,005,000	35	12,645,000	68.55%
73	107,000	2	214,000	388	9,219,000	33	12,750,000	69.12%
74	108,000	1	108,000	389	9,327,000	32	12,783,000	69.30%
75	109,000	1	109,000	390	9,436,000	31	12,815,000	69.47%
76	111,000	1	111,000	391	9,547,000	30	12,877,000	69.81%
77	136,000	1	136,000	392	9,683,000	29	13,627,000	73.87%
78	141,000	1	141,000	393	9,824,000	28	13,772,000	74.66%
79	150,000	1	150,000	394	9,974,000	27	14,024,000	76.02%
80	161,000	1	161,000	395	10,135,000	26	14,321,000	77.63%
81	164,000	1	164,000	396	10,299,000	25	14,399,000	78.06%
82	167,000	1	167,000	397	10,466,000	24	14,474,000	78.46%
83	174,000	1	174,000	398	10,640,000	23	14,642,000	79.37%
84	202,000	1	202,000	399	10,842,000	22	15,286,000	82.86%
85	205,000	1	205,000	400	11,047,000	21	15,352,000	83.22%
86	208,000	1	208,000	401	11,255,000	20	15,415,000	83.56%
87	209,000	1	209,000	402	11,464,000	19	15,435,000	83.67%
88	216,000	1	216,000	403	11,680,000	18	15,568,000	84.39%
89	242,000	1	242,000	404	11,922,000	17	16,036,000	86.93%
90	244,000	1	244,000	405	12,166,000	16	16,070,000	87.11%
91	258,000	1	258,000	406	12,424,000	15	16,294,000	88.33%
92	259,000	1	259,000	407	12,683,000	14	16,309,000	88.41%
93	285,000	1	285,000	408	12,968,000	13	16,673,000	90.38%
94	304,000	1	304,000	409	13,272,000	12	16,920,000	91.72%

95	320,000	1	320,000	410	13,592,000	11	17,112,000	92.76%
96	327,000	1	327,000	411	13,919,000	10	17,189,000	93.18%
97	375,000	1	375,000	412	14,294,000	9	17,669,000	95.78%
98	407,000	1	407,000	413	14,701,000	8	17,957,000	97.34%
99	408,000	1	408,000	414	15,109,000	7	17,965,000	97.39%
100	411,000	1	411,000	415	15,520,000	6	17,986,000	97.50%
101	417,000	1	417,000	416	15,937,000	5	18,022,000	97.70%
102	459,000	1	459,000	417	16,396,000	4	18,232,000	98.83%
103	473,000	1	473,000	418	16,869,000	3	18,288,000	99.14%
104	504,000	1	504,000	419	17,373,000	2	18,381,000	99.64%
105	512,000	1	512,000	420	17,885,000	1	18,397,000	99.73%
106	562,000	1	562,000	421	18,447,000	-	18,447,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
3" Residential Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	8	-	8	-	4	-	0.00%
2	3,000	1	3,000	9	3,000	3	12,000	1.88%
3	6,000	1	6,000	10	9,000	2	21,000	3.29%
4	9,000	1	9,000	11	18,000	1	27,000	4.23%
5	620,000	1	620,000	12	638,000	-	638,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
6" Residential Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	-	-	-	-	-	-	#DIV/0!

Supporting Schedules : Test Tr Consum Ending 8-31-15
Recap Schedules : H-2, E-7
No 6" residential meters active during test year

Bermuda Water Company
Test Year Ended: 8/31.2015
5/8" Commerical Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	657	-	657	-	1,499	-	0.00%
2	1,000	340	340,000	997	340,000	1,159	1,499,000	8.89%
3	2,000	169	338,000	1,166	678,000	990	2,658,000	15.76%
4	3,000	116	348,000	1,282	1,026,000	874	3,648,000	21.63%
5	4,000	83	332,000	1,365	1,358,000	791	4,522,000	26.82%
6	5,000	78	390,000	1,443	1,748,000	713	5,313,000	31.51%
7	6,000	70	420,000	1,513	2,168,000	643	6,026,000	35.74%
8	7,000	61	427,000	1,574	2,595,000	582	6,669,000	39.55%
9	8,000	55	440,000	1,629	3,035,000	527	7,251,000	43.00%
10	9,000	54	486,000	1,683	3,521,000	473	7,778,000	46.12%
11	10,000	45	450,000	1,728	3,971,000	428	8,251,000	48.93%
12	11,000	38	418,000	1,766	4,389,000	390	8,679,000	51.47%
13	12,000	36	432,000	1,802	4,821,000	354	9,069,000	53.78%
14	13,000	29	377,000	1,831	5,198,000	325	9,423,000	55.88%
15	14,000	26	364,000	1,857	5,562,000	299	9,748,000	57.81%
16	15,000	22	330,000	1,879	5,892,000	277	10,047,000	59.58%
17	16,000	21	336,000	1,900	6,228,000	256	10,324,000	61.22%
18	17,000	13	221,000	1,913	6,449,000	243	10,580,000	62.74%
19	18,000	14	252,000	1,927	6,701,000	229	10,823,000	64.18%
20	19,000	9	171,000	1,936	6,872,000	220	11,052,000	65.54%
21	20,000	12	240,000	1,948	7,112,000	208	11,272,000	66.84%
22	21,000	8	168,000	1,956	7,280,000	200	11,480,000	68.08%
23	22,000	13	286,000	1,969	7,566,000	187	11,680,000	69.26%
24	23,000	10	230,000	1,979	7,796,000	177	11,867,000	70.37%
25	24,000	9	216,000	1,988	8,012,000	168	12,044,000	71.42%
26	25,000	8	200,000	1,996	8,212,000	160	12,212,000	72.42%
27	26,000	9	234,000	2,005	8,446,000	151	12,372,000	73.37%
28	27,000	10	270,000	2,015	8,716,000	141	12,523,000	74.26%
29	28,000	1	28,000	2,016	8,744,000	140	12,664,000	75.10%
30	29,000	7	203,000	2,023	8,947,000	133	12,804,000	75.93%
31	30,000	5	150,000	2,028	9,097,000	128	12,937,000	76.72%
32	31,000	5	155,000	2,033	9,252,000	123	13,065,000	77.48%
33	32,000	4	128,000	2,037	9,380,000	119	13,188,000	78.21%
34	33,000	2	66,000	2,039	9,446,000	117	13,307,000	78.91%
35	34,000	4	136,000	2,043	9,582,000	113	13,424,000	79.61%
36	35,000	2	70,000	2,045	9,652,000	111	13,537,000	80.28%
37	36,000	7	252,000	2,052	9,904,000	104	13,648,000	80.93%
38	37,000	3	111,000	2,055	10,015,000	101	13,752,000	81.55%
39	38,000	2	76,000	2,057	10,091,000	99	13,853,000	82.15%
40	39,000	1	39,000	2,058	10,130,000	98	13,952,000	82.74%
41	40,000	3	120,000	2,061	10,250,000	95	14,050,000	83.32%
42	41,000	2	82,000	2,063	10,332,000	93	14,145,000	83.88%

43	42,000	4	168,000	2,067	10,500,000	89	14,238,000	84.43%
44	43,000	4	172,000	2,071	10,672,000	85	14,327,000	84.96%
45	44,000	1	44,000	2,072	10,716,000	84	14,412,000	85.47%
46	45,000	1	45,000	2,073	10,761,000	83	14,496,000	85.96%
47	46,000	1	46,000	2,074	10,807,000	82	14,579,000	86.46%
48	47,000	2	94,000	2,076	10,901,000	80	14,661,000	86.94%
49	48,000	7	336,000	2,083	11,237,000	73	14,741,000	87.42%
50	49,000	4	196,000	2,087	11,433,000	69	14,814,000	87.85%
51	50,000	3	150,000	2,090	11,583,000	66	14,883,000	88.26%
52	51,000	4	204,000	2,094	11,787,000	62	14,949,000	88.65%
53	52,000	4	208,000	2,098	11,995,000	58	15,011,000	89.02%
54	53,000	3	159,000	2,101	12,154,000	55	15,069,000	89.36%
55	54,000	7	378,000	2,108	12,532,000	48	15,124,000	89.69%
56	55,000	2	110,000	2,110	12,642,000	46	15,172,000	89.97%
57	56,000	1	56,000	2,111	12,698,000	45	15,218,000	90.24%
58	57,000	2	114,000	2,113	12,812,000	43	15,263,000	90.51%
59	58,000	1	58,000	2,114	12,870,000	42	15,306,000	90.77%
60	61,000	1	61,000	2,115	12,931,000	41	15,432,000	91.51%
61	62,000	1	62,000	2,116	12,993,000	40	15,473,000	91.76%
62	63,000	1	63,000	2,117	13,056,000	39	15,513,000	91.99%
63	65,000	3	195,000	2,120	13,251,000	36	15,591,000	92.46%
64	66,000	1	66,000	2,121	13,317,000	35	15,627,000	92.67%
65	71,000	2	142,000	2,123	13,459,000	33	15,802,000	93.71%
66	76,000	2	152,000	2,125	13,611,000	31	15,967,000	94.69%
67	78,000	1	78,000	2,126	13,689,000	30	16,029,000	95.05%
68	79,000	1	79,000	2,127	13,768,000	29	16,059,000	95.23%
69	85,000	3	255,000	2,130	14,023,000	26	16,233,000	96.26%
70	86,000	1	86,000	2,131	14,109,000	25	16,259,000	96.42%
71	87,000	1	87,000	2,132	14,196,000	24	16,284,000	96.57%
72	88,000	1	88,000	2,133	14,284,000	23	16,308,000	96.71%
73	90,000	2	180,000	2,135	14,464,000	21	16,354,000	96.98%
74	91,000	1	91,000	2,136	14,555,000	20	16,375,000	97.11%
75	92,000	1	92,000	2,137	14,647,000	19	16,395,000	97.22%
76	93,000	2	186,000	2,139	14,833,000	17	16,414,000	97.34%
77	94,000	2	188,000	2,141	15,021,000	15	16,431,000	97.44%
78	96,000	1	96,000	2,142	15,117,000	14	16,461,000	97.62%
79	97,000	1	97,000	2,143	15,214,000	13	16,475,000	97.70%
80	98,000	1	98,000	2,144	15,312,000	12	16,488,000	97.78%
81	101,000	1	101,000	2,145	15,413,000	11	16,524,000	97.99%
82	105,000	1	105,000	2,146	15,518,000	10	16,568,000	98.25%
83	108,000	1	108,000	2,147	15,626,000	9	16,598,000	98.43%
84	111,000	2	222,000	2,149	15,848,000	7	16,625,000	98.59%
85	132,000	1	132,000	2,150	15,980,000	6	16,772,000	99.46%
86	136,000	1	136,000	2,151	16,116,000	5	16,796,000	99.60%
87	139,000	1	139,000	2,152	16,255,000	4	16,811,000	99.69%
88	145,000	1	145,000	2,153	16,400,000	3	16,835,000	99.83%
89	152,000	2	304,000	2,155	16,704,000	1	16,856,000	99.96%
90	159,000	1	159,000	2,156	16,863,000	-	16,863,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1" Commerical Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	98	-	98	-	583	-	0.00%
2	1,000	73	73,000	171	73,000	510	583,000	4.44%
3	2,000	48	96,000	219	169,000	462	1,093,000	8.31%
4	3,000	38	114,000	257	283,000	424	1,555,000	11.83%
5	4,000	47	188,000	304	471,000	377	1,979,000	15.06%
6	5,000	32	160,000	336	631,000	345	2,356,000	17.92%
7	6,000	24	144,000	360	775,000	321	2,701,000	20.55%
8	7,000	23	161,000	383	936,000	298	3,022,000	22.99%
9	8,000	16	128,000	399	1,064,000	282	3,320,000	25.26%
10	9,000	13	117,000	412	1,181,000	269	3,602,000	27.40%
11	10,000	20	200,000	432	1,381,000	249	3,871,000	29.45%
12	11,000	11	121,000	443	1,502,000	238	4,120,000	31.34%
13	12,000	10	120,000	453	1,622,000	228	4,358,000	33.15%
14	13,000	10	130,000	463	1,752,000	218	4,586,000	34.89%
15	14,000	11	154,000	474	1,906,000	207	4,804,000	36.55%
16	15,000	4	60,000	478	1,966,000	203	5,011,000	38.12%
17	16,000	6	96,000	484	2,062,000	197	5,214,000	39.67%
18	17,000	7	119,000	491	2,181,000	190	5,411,000	41.16%
19	18,000	8	144,000	499	2,325,000	182	5,601,000	42.61%
20	19,000	5	95,000	504	2,420,000	177	5,783,000	43.99%
21	20,000	7	140,000	511	2,560,000	170	5,960,000	45.34%
22	21,000	9	189,000	520	2,749,000	161	6,130,000	46.63%
23	22,000	4	88,000	524	2,837,000	157	6,291,000	47.86%
24	23,000	7	161,000	531	2,998,000	150	6,448,000	49.05%
25	24,000	4	96,000	535	3,094,000	146	6,598,000	50.19%
26	25,000	5	125,000	540	3,219,000	141	6,744,000	51.30%
27	26,000	2	52,000	542	3,271,000	139	6,885,000	52.38%
28	27,000	4	108,000	546	3,379,000	135	7,024,000	53.43%
29	28,000	1	28,000	547	3,407,000	134	7,159,000	54.46%
30	29,000	4	116,000	551	3,523,000	130	7,293,000	55.48%
31	30,000	4	120,000	555	3,643,000	126	7,423,000	56.47%
32	31,000	3	93,000	558	3,736,000	123	7,549,000	57.43%
33	32,000	1	32,000	559	3,768,000	122	7,672,000	58.36%
34	33,000	1	33,000	560	3,801,000	121	7,794,000	59.29%
35	34,000	4	136,000	564	3,937,000	117	7,915,000	60.21%
36	35,000	2	70,000	566	4,007,000	115	8,032,000	61.10%
37	36,000	3	108,000	569	4,115,000	112	8,147,000	61.98%
38	37,000	3	111,000	572	4,226,000	109	8,259,000	62.83%
39	38,000	3	114,000	575	4,340,000	106	8,368,000	63.66%
40	39,000	4	156,000	579	4,496,000	102	8,474,000	64.47%
41	40,000	2	80,000	581	4,576,000	100	8,576,000	65.24%
42	41,000	1	41,000	582	4,617,000	99	8,676,000	66.00%

43	43,000	2	86,000	584	4,703,000	97	8,874,000	67.51%
44	44,000	1	44,000	585	4,747,000	96	8,971,000	68.25%
45	45,000	3	135,000	588	4,882,000	93	9,067,000	68.98%
46	46,000	1	46,000	589	4,928,000	92	9,160,000	69.68%
47	47,000	4	188,000	593	5,116,000	88	9,252,000	70.38%
48	49,000	1	49,000	594	5,165,000	87	9,428,000	71.72%
49	50,000	3	150,000	597	5,315,000	84	9,515,000	72.38%
50	51,000	3	153,000	600	5,468,000	81	9,599,000	73.02%
51	52,000	4	208,000	604	5,676,000	77	9,680,000	73.64%
52	53,000	1	53,000	605	5,729,000	76	9,757,000	74.23%
53	54,000	2	108,000	607	5,837,000	74	9,833,000	74.80%
54	55,000	2	110,000	609	5,947,000	72	9,907,000	75.37%
55	56,000	2	112,000	611	6,059,000	70	9,979,000	75.91%
56	57,000	1	57,000	612	6,116,000	69	10,049,000	76.45%
57	58,000	2	116,000	614	6,232,000	67	10,118,000	76.97%
58	59,000	1	59,000	615	6,291,000	66	10,185,000	77.48%
59	60,000	2	120,000	617	6,411,000	64	10,251,000	77.98%
60	61,000	4	244,000	621	6,655,000	60	10,315,000	78.47%
61	62,000	2	124,000	623	6,779,000	58	10,375,000	78.93%
62	63,000	4	252,000	627	7,031,000	54	10,433,000	79.37%
63	64,000	1	64,000	628	7,095,000	53	10,487,000	79.78%
64	65,000	1	65,000	629	7,160,000	52	10,540,000	80.18%
65	67,000	2	134,000	631	7,294,000	50	10,644,000	80.97%
66	69,000	1	69,000	632	7,363,000	49	10,744,000	81.73%
67	70,000	1	70,000	633	7,433,000	48	10,793,000	82.11%
68	71,000	2	142,000	635	7,575,000	46	10,841,000	82.47%
69	74,000	1	74,000	636	7,649,000	45	10,979,000	83.52%
70	75,000	3	225,000	639	7,874,000	42	11,024,000	83.86%
71	76,000	1	76,000	640	7,950,000	41	11,066,000	84.18%
72	77,000	2	154,000	642	8,104,000	39	11,107,000	84.50%
73	79,000	1	79,000	643	8,183,000	38	11,185,000	85.09%
74	82,000	1	82,000	644	8,265,000	37	11,299,000	85.96%
75	86,000	1	86,000	645	8,351,000	36	11,447,000	87.08%
76	90,000	2	180,000	647	8,531,000	34	11,591,000	88.18%
77	91,000	1	91,000	648	8,622,000	33	11,625,000	88.44%
78	94,000	1	94,000	649	8,716,000	32	11,724,000	89.19%
79	95,000	1	95,000	650	8,811,000	31	11,756,000	89.43%
80	97,000	1	97,000	651	8,908,000	30	11,818,000	89.90%
81	103,000	2	206,000	653	9,114,000	28	11,998,000	91.27%
82	108,000	1	108,000	654	9,222,000	27	12,138,000	92.34%
83	109,000	2	218,000	656	9,440,000	25	12,165,000	92.54%
84	111,000	1	111,000	657	9,551,000	24	12,215,000	92.93%
85	112,000	1	112,000	658	9,663,000	23	12,239,000	93.11%
86	113,000	1	113,000	659	9,776,000	22	12,262,000	93.28%
87	116,000	2	232,000	661	10,008,000	20	12,328,000	93.78%
88	117,000	1	117,000	662	10,125,000	19	12,348,000	93.94%
89	118,000	2	236,000	664	10,361,000	17	12,367,000	94.08%
90	119,000	1	119,000	665	10,480,000	16	12,384,000	94.21%
91	121,000	1	121,000	666	10,601,000	15	12,416,000	94.45%
92	125,000	1	125,000	667	10,726,000	14	12,476,000	94.91%
93	129,000	1	129,000	668	10,855,000	13	12,532,000	95.34%
94	133,000	1	133,000	669	10,988,000	12	12,584,000	95.73%

95	137,000	1	137,000	670	11,125,000	11	12,632,000	96.10%
96	140,000	2	280,000	672	11,405,000	9	12,665,000	96.35%
97	147,000	1	147,000	673	11,552,000	8	12,728,000	96.83%
98	152,000	1	152,000	674	11,704,000	7	12,768,000	97.13%
99	155,000	1	155,000	675	11,859,000	6	12,789,000	97.29%
100	160,000	1	160,000	676	12,019,000	5	12,819,000	97.52%
101	164,000	1	164,000	677	12,183,000	4	12,839,000	97.67%
102	166,000	1	166,000	678	12,349,000	3	12,847,000	97.73%
103	219,000	1	219,000	679	12,568,000	2	13,006,000	98.94%
104	225,000	1	225,000	680	12,793,000	1	13,018,000	99.03%
105	352,000	1	352,000	681	13,145,000	-	13,145,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
2" Commerical Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	29	-	29	-	365	-	0.00%
2	1,000	11	11,000	40	11,000	354	365,000	1.12%
3	2,000	28	56,000	68	67,000	326	719,000	2.21%
4	3,000	28	84,000	96	151,000	298	1,045,000	3.21%
5	4,000	17	68,000	113	219,000	281	1,343,000	4.13%
6	5,000	24	120,000	137	339,000	257	1,624,000	5.00%
7	6,000	9	54,000	146	393,000	248	1,881,000	5.79%
8	7,000	6	42,000	152	435,000	242	2,129,000	6.55%
9	8,000	13	104,000	165	539,000	229	2,371,000	7.29%
10	9,000	6	54,000	171	593,000	223	2,600,000	8.00%
11	10,000	3	30,000	174	623,000	220	2,823,000	8.68%
12	11,000	5	55,000	179	678,000	215	3,043,000	9.36%
13	12,000	7	84,000	186	762,000	208	3,258,000	10.02%
14	13,000	4	52,000	190	814,000	204	3,466,000	10.66%
15	14,000	3	42,000	193	856,000	201	3,670,000	11.29%
16	15,000	7	105,000	200	961,000	194	3,871,000	11.91%
17	16,000	4	64,000	204	1,025,000	190	4,065,000	12.50%
18	17,000	4	68,000	208	1,093,000	186	4,255,000	13.09%
19	18,000	2	36,000	210	1,129,000	184	4,441,000	13.66%
20	19,000	5	95,000	215	1,224,000	179	4,625,000	14.23%
21	20,000	3	60,000	218	1,284,000	176	4,804,000	14.78%
22	21,000	4	84,000	222	1,368,000	172	4,980,000	15.32%
23	22,000	6	132,000	228	1,500,000	166	5,152,000	15.85%
24	23,000	6	138,000	234	1,638,000	160	5,318,000	16.36%
25	24,000	1	24,000	235	1,662,000	159	5,478,000	16.85%
26	25,000	2	50,000	237	1,712,000	157	5,637,000	17.34%
27	26,000	1	26,000	238	1,738,000	156	5,794,000	17.82%
28	27,000	1	27,000	239	1,765,000	155	5,950,000	18.30%
29	28,000	1	28,000	240	1,793,000	154	6,105,000	18.78%
30	29,000	2	58,000	242	1,851,000	152	6,259,000	19.25%
31	30,000	5	150,000	247	2,001,000	147	6,411,000	19.72%
32	31,000	3	93,000	250	2,094,000	144	6,558,000	20.17%
33	32,000	3	96,000	253	2,190,000	141	6,702,000	20.62%
34	33,000	6	198,000	259	2,388,000	135	6,843,000	21.05%
35	34,000	4	136,000	263	2,524,000	131	6,978,000	21.46%
36	35,000	1	35,000	264	2,559,000	130	7,109,000	21.87%
37	36,000	2	72,000	266	2,631,000	128	7,239,000	22.27%
38	37,000	3	111,000	269	2,742,000	125	7,367,000	22.66%
39	38,000	2	76,000	271	2,818,000	123	7,492,000	23.05%
40	40,000	2	80,000	273	2,898,000	121	7,738,000	23.80%
41	41,000	1	41,000	274	2,939,000	120	7,859,000	24.17%
42	43,000	2	86,000	276	3,025,000	118	8,099,000	24.91%

43	44,000	1	44,000	277	3,069,000	117	8,217,000	25.28%
44	45,000	3	135,000	280	3,204,000	114	8,334,000	25.64%
45	46,000	2	92,000	282	3,296,000	112	8,448,000	25.99%
46	47,000	1	47,000	283	3,343,000	111	8,560,000	26.33%
47	48,000	2	96,000	285	3,439,000	109	8,671,000	26.67%
48	49,000	2	98,000	287	3,537,000	107	8,780,000	27.01%
49	50,000	1	50,000	288	3,587,000	106	8,887,000	27.34%
50	51,000	1	51,000	289	3,638,000	105	8,993,000	27.66%
51	52,000	1	52,000	290	3,690,000	104	9,098,000	27.99%
52	54,000	1	54,000	291	3,744,000	103	9,306,000	28.63%
53	62,000	1	62,000	292	3,806,000	102	10,130,000	31.16%
54	64,000	1	64,000	293	3,870,000	101	10,334,000	31.79%
55	65,000	1	65,000	294	3,935,000	100	10,435,000	32.10%
56	66,000	2	132,000	296	4,067,000	98	10,535,000	32.41%
57	69,000	2	138,000	298	4,205,000	96	10,829,000	33.31%
58	71,000	1	71,000	299	4,276,000	95	11,021,000	33.90%
59	73,000	1	73,000	300	4,349,000	94	11,211,000	34.49%
60	74,000	1	74,000	301	4,423,000	93	11,305,000	34.77%
61	77,000	1	77,000	302	4,500,000	92	11,584,000	35.63%
62	80,000	1	80,000	303	4,580,000	91	11,860,000	36.48%
63	81,000	1	81,000	304	4,661,000	90	11,951,000	36.76%
64	82,000	2	164,000	306	4,825,000	88	12,041,000	37.04%
65	83,000	1	83,000	307	4,908,000	87	12,129,000	37.31%
66	85,000	1	85,000	308	4,993,000	86	12,303,000	37.84%
67	86,000	1	86,000	309	5,079,000	85	12,389,000	38.11%
68	88,000	1	88,000	310	5,167,000	84	12,559,000	38.63%
69	90,000	1	90,000	311	5,257,000	83	12,727,000	39.15%
70	91,000	3	273,000	314	5,530,000	80	12,810,000	39.40%
71	92,000	1	92,000	315	5,622,000	79	12,890,000	39.65%
72	94,000	1	94,000	316	5,716,000	78	13,048,000	40.14%
73	98,000	1	98,000	317	5,814,000	77	13,360,000	41.10%
74	99,000	1	99,000	318	5,913,000	76	13,437,000	41.33%
75	100,000	3	300,000	321	6,213,000	73	13,513,000	41.57%
76	101,000	4	404,000	325	6,617,000	69	13,586,000	41.79%
77	103,000	1	103,000	326	6,720,000	68	13,724,000	42.22%
78	105,000	1	105,000	327	6,825,000	67	13,860,000	42.63%
79	106,000	1	106,000	328	6,931,000	66	13,927,000	42.84%
80	108,000	1	108,000	329	7,039,000	65	14,059,000	43.25%
81	110,000	1	110,000	330	7,149,000	64	14,189,000	43.65%
82	111,000	1	111,000	331	7,260,000	63	14,253,000	43.84%
83	129,000	1	129,000	332	7,389,000	62	15,387,000	47.33%
84	135,000	1	135,000	333	7,524,000	61	15,759,000	48.48%
85	146,000	1	146,000	334	7,670,000	60	16,430,000	50.54%
86	173,000	1	173,000	335	7,843,000	59	18,050,000	55.52%
87	181,000	1	181,000	336	8,024,000	58	18,522,000	56.97%
88	192,000	1	192,000	337	8,216,000	57	19,160,000	58.94%
89	196,000	1	196,000	338	8,412,000	56	19,388,000	59.64%
90	201,000	1	201,000	339	8,613,000	55	19,668,000	60.50%
91	206,000	1	206,000	340	8,819,000	54	19,943,000	61.35%
92	211,000	1	211,000	341	9,030,000	53	20,213,000	62.18%
93	217,000	2	434,000	343	9,464,000	51	20,531,000	63.15%
94	220,000	1	220,000	344	9,684,000	50	20,684,000	63.63%

95	223,000	1	223,000	345	9,907,000	49	20,834,000	64.09%
96	226,000	1	226,000	346	10,133,000	48	20,981,000	64.54%
97	228,000	1	228,000	347	10,361,000	47	21,077,000	64.83%
98	229,000	1	229,000	348	10,590,000	46	21,124,000	64.98%
99	231,000	1	231,000	349	10,821,000	45	21,216,000	65.26%
100	232,000	1	232,000	350	11,053,000	44	21,261,000	65.40%
101	239,000	3	717,000	353	11,770,000	41	21,569,000	66.35%
102	241,000	1	241,000	354	12,011,000	40	21,651,000	66.60%
103	242,000	1	242,000	355	12,253,000	39	21,691,000	66.72%
104	247,000	1	247,000	356	12,500,000	38	21,886,000	67.32%
105	257,000	1	257,000	357	12,757,000	37	22,266,000	68.49%
106	277,000	1	277,000	358	13,034,000	36	23,006,000	70.77%
107	278,000	1	278,000	359	13,312,000	35	23,042,000	70.88%
108	283,000	1	283,000	360	13,595,000	34	23,217,000	71.42%
109	284,000	1	284,000	361	13,879,000	33	23,251,000	71.52%
110	291,000	1	291,000	362	14,170,000	32	23,482,000	72.23%
111	300,000	1	300,000	363	14,470,000	31	23,770,000	73.12%
112	302,000	1	302,000	364	14,772,000	30	23,832,000	73.31%
113	304,000	1	304,000	365	15,076,000	29	23,892,000	73.49%
114	330,000	1	330,000	366	15,406,000	28	24,646,000	75.81%
115	338,000	1	338,000	367	15,744,000	27	24,870,000	76.50%
116	378,000	1	378,000	368	16,122,000	26	25,950,000	79.82%
117	416,000	1	416,000	369	16,538,000	25	26,938,000	82.86%
118	417,000	1	417,000	370	16,955,000	24	26,963,000	82.94%
119	486,000	1	486,000	371	17,441,000	23	28,619,000	88.03%
120	490,000	1	490,000	372	17,931,000	22	28,711,000	88.32%
121	519,000	1	519,000	373	18,450,000	21	29,349,000	90.28%
122	525,000	1	525,000	374	18,975,000	20	29,475,000	90.67%
123	554,000	1	554,000	375	19,529,000	19	30,055,000	92.45%
124	558,000	1	558,000	376	20,087,000	18	30,131,000	92.69%
125	562,000	1	562,000	377	20,649,000	17	30,203,000	92.91%
126	564,000	1	564,000	378	21,213,000	16	30,237,000	93.01%
127	650,000	1	650,000	379	21,863,000	15	31,613,000	97.24%
128	663,000	1	663,000	380	22,526,000	14	31,808,000	97.84%
129	674,000	1	674,000	381	23,200,000	13	31,962,000	98.32%
130	676,000	1	676,000	382	23,876,000	12	31,988,000	98.40%
131	690,000	1	690,000	383	24,566,000	11	32,156,000	98.91%
132	691,000	1	691,000	384	25,257,000	10	32,167,000	98.95%
133	692,000	1	692,000	385	25,949,000	9	32,177,000	98.98%
134	703,000	1	703,000	386	26,652,000	8	32,276,000	99.28%
135	705,000	1	705,000	387	27,357,000	7	32,292,000	99.33%
136	707,000	1	707,000	388	28,064,000	6	32,306,000	99.38%
137	719,000	1	719,000	389	28,783,000	5	32,378,000	99.60%
138	722,000	1	722,000	390	29,505,000	4	32,393,000	99.64%
139	737,000	1	737,000	391	30,242,000	3	32,453,000	99.83%
140	746,000	1	746,000	392	30,988,000	2	32,480,000	99.91%
141	756,000	1	756,000	393	31,744,000	1	32,500,000	99.97%
142	765,000	1	765,000	394	32,509,000	-	32,509,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
5/8" Construction Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	-	-	-	-	-	-	#DIV/0!

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7
 No 5/8" construction meters active during test year

Bermuda Water Company
Test Year Ended: 8/31.2015
1" Construction Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	11	-	11	-	13	-	0.00%
2	1,000	1	1,000	12	1,000	12	13,000	3.63%
3	21,000	1	21,000	13	22,000	11	253,000	70.67%
4	23,000	1	23,000	14	45,000	10	275,000	76.82%
5	24,000	1	24,000	15	69,000	9	285,000	79.61%
6	27,000	2	54,000	17	123,000	7	312,000	87.15%
7	28,000	1	28,000	18	151,000	6	319,000	89.11%
8	31,000	1	31,000	19	182,000	5	337,000	94.13%
9	33,000	1	33,000	20	215,000	4	347,000	96.93%
10	35,000	2	70,000	22	285,000	2	355,000	99.16%
11	36,000	1	36,000	23	321,000	1	357,000	99.72%
12	37,000	1	37,000	24	358,000	-	358,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
2" Construction Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	16	-	16	-	21	-	0.00%
2	1,000	1	1,000	17	1,000	20	21,000	2.82%
3	2,000	1	2,000	18	3,000	19	41,000	5.50%
4	5,000	1	5,000	19	8,000	18	98,000	13.14%
5	14,000	2	28,000	21	36,000	16	260,000	34.85%
6	16,000	1	16,000	22	52,000	15	292,000	39.14%
7	19,000	1	19,000	23	71,000	14	337,000	45.17%
8	20,000	1	20,000	24	91,000	13	351,000	47.05%
9	24,000	1	24,000	25	115,000	12	403,000	54.02%
10	30,000	1	30,000	26	145,000	11	475,000	63.67%
11	34,000	1	34,000	27	179,000	10	519,000	69.57%
12	36,000	1	36,000	28	215,000	9	539,000	72.25%
13	38,000	2	76,000	30	291,000	7	557,000	74.66%
14	46,000	1	46,000	31	337,000	6	613,000	82.17%
15	47,000	1	47,000	32	384,000	5	619,000	82.98%
16	48,000	1	48,000	33	432,000	4	624,000	83.65%
17	51,000	1	51,000	34	483,000	3	636,000	85.25%
18	61,000	1	61,000	35	544,000	2	666,000	89.28%
19	66,000	1	66,000	36	610,000	1	676,000	90.62%
20	136,000	1	136,000	37	746,000	-	746,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
3" Construction Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	21	-	21	-	69	-	0.00%
2	1,000	4	4,000	25	4,000	65	69,000	0.56%
3	2,000	2	4,000	27	8,000	63	134,000	1.09%
4	3,000	2	6,000	29	14,000	61	197,000	1.61%
5	4,000	1	4,000	30	18,000	60	258,000	2.11%
6	5,000	1	5,000	31	23,000	59	318,000	2.59%
7	6,000	1	6,000	32	29,000	58	377,000	3.08%
8	9,000	2	18,000	34	47,000	56	551,000	4.50%
9	10,000	1	10,000	35	57,000	55	607,000	4.95%
10	11,000	1	11,000	36	68,000	54	662,000	5.40%
11	12,000	1	12,000	37	80,000	53	716,000	5.84%
12	14,000	1	14,000	38	94,000	52	822,000	6.71%
13	15,000	1	15,000	39	109,000	51	874,000	7.13%
14	18,000	1	18,000	40	127,000	50	1,027,000	8.38%
15	19,000	2	38,000	42	165,000	48	1,077,000	8.79%
16	20,000	1	20,000	43	185,000	47	1,125,000	9.18%
17	21,000	1	21,000	44	206,000	46	1,172,000	9.56%
18	25,000	1	25,000	45	231,000	45	1,356,000	11.06%
19	37,000	1	37,000	46	268,000	44	1,896,000	15.47%
20	38,000	1	38,000	47	306,000	43	1,940,000	15.83%
21	39,000	1	39,000	48	345,000	42	1,983,000	16.18%
22	40,000	1	40,000	49	385,000	41	2,025,000	16.52%
23	47,000	1	47,000	50	432,000	40	2,312,000	18.86%
24	60,000	1	60,000	51	492,000	39	2,832,000	23.11%
25	61,000	1	61,000	52	553,000	38	2,871,000	23.43%
26	75,000	1	75,000	53	628,000	37	3,403,000	27.77%
27	76,000	1	76,000	54	704,000	36	3,440,000	28.07%
28	79,000	1	79,000	55	783,000	35	3,548,000	28.95%
29	114,000	1	114,000	56	897,000	34	4,773,000	38.94%
30	155,000	1	155,000	57	1,052,000	33	6,167,000	50.32%
31	188,000	1	188,000	58	1,240,000	32	7,256,000	59.20%
32	202,000	1	202,000	59	1,442,000	31	7,704,000	62.86%
33	204,000	1	204,000	60	1,646,000	30	7,766,000	63.36%
34	206,000	1	206,000	61	1,852,000	29	7,826,000	63.85%
35	209,000	2	418,000	63	2,270,000	27	7,913,000	64.56%
36	223,000	1	223,000	64	2,493,000	26	8,291,000	67.65%
37	225,000	1	225,000	65	2,718,000	25	8,343,000	68.07%
38	229,000	1	229,000	66	2,947,000	24	8,443,000	68.89%
39	234,000	1	234,000	67	3,181,000	23	8,563,000	69.87%
40	237,000	1	237,000	68	3,418,000	22	8,632,000	70.43%
41	240,000	1	240,000	69	3,658,000	21	8,698,000	70.97%
42	248,000	1	248,000	70	3,906,000	20	8,866,000	72.34%

43	255,000	1	255,000	71	4,161,000	19	9,006,000	73.48%
44	267,000	1	267,000	72	4,428,000	18	9,234,000	75.34%
45	285,000	1	285,000	73	4,713,000	17	9,558,000	77.99%
46	291,000	1	291,000	74	5,004,000	16	9,660,000	78.82%
47	309,000	1	309,000	75	5,313,000	15	9,948,000	81.17%
48	313,000	1	313,000	76	5,626,000	14	10,008,000	81.66%
49	330,000	1	330,000	77	5,956,000	13	10,246,000	83.60%
50	341,000	1	341,000	78	6,297,000	12	10,389,000	84.77%
51	371,000	1	371,000	79	6,668,000	11	10,749,000	87.70%
52	374,000	1	374,000	80	7,042,000	10	10,782,000	87.97%
53	380,000	1	380,000	81	7,422,000	9	10,842,000	88.46%
54	381,000	1	381,000	82	7,803,000	8	10,851,000	88.54%
55	401,000	1	401,000	83	8,204,000	7	11,011,000	89.84%
56	413,000	1	413,000	84	8,617,000	6	11,095,000	90.53%
57	433,000	1	433,000	85	9,050,000	5	11,215,000	91.51%
58	439,000	1	439,000	86	9,489,000	4	11,245,000	91.75%
59	470,000	1	470,000	87	9,959,000	3	11,369,000	92.76%
60	620,000	1	620,000	88	10,579,000	2	11,819,000	96.43%
61	676,000	1	676,000	89	11,255,000	1	11,931,000	97.35%
62	1,001,000	1	1,001,000	90	12,256,000	-	12,256,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
5/8" Irrigation Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	12	-	12	-	60	-	0.00%
2	2,000	1	2,000	13	2,000	59	120,000	9.47%
3	3,000	1	3,000	14	5,000	58	179,000	14.13%
4	4,000	2	8,000	16	13,000	56	237,000	18.71%
5	5,000	1	5,000	17	18,000	55	293,000	23.13%
6	6,000	1	6,000	18	24,000	54	348,000	27.47%
7	7,000	1	7,000	19	31,000	53	402,000	31.73%
8	8,000	4	32,000	23	63,000	49	455,000	35.91%
9	9,000	3	27,000	26	90,000	46	504,000	39.78%
10	10,000	2	20,000	28	110,000	44	550,000	43.41%
11	11,000	3	33,000	31	143,000	41	594,000	46.88%
12	12,000	4	48,000	35	191,000	37	635,000	50.12%
13	13,000	2	26,000	37	217,000	35	672,000	53.04%
14	15,000	4	60,000	41	277,000	31	742,000	58.56%
15	16,000	3	48,000	44	325,000	28	773,000	61.01%
16	17,000	1	17,000	45	342,000	27	801,000	63.22%
17	18,000	2	36,000	47	378,000	25	828,000	65.35%
18	20,000	3	60,000	50	438,000	22	878,000	69.30%
19	21,000	1	21,000	51	459,000	21	900,000	71.03%
20	24,000	2	48,000	53	507,000	19	963,000	76.01%
21	27,000	1	27,000	54	534,000	18	1,020,000	80.51%
22	28,000	1	28,000	55	562,000	17	1,038,000	81.93%
23	31,000	2	62,000	57	624,000	15	1,089,000	85.95%
24	32,000	4	128,000	61	752,000	11	1,104,000	87.13%
25	33,000	1	33,000	62	785,000	10	1,115,000	88.00%
26	34,000	1	34,000	63	819,000	9	1,125,000	88.79%
27	35,000	1	35,000	64	854,000	8	1,134,000	89.50%
28	36,000	1	36,000	65	890,000	7	1,142,000	90.13%
29	37,000	2	74,000	67	964,000	5	1,149,000	90.69%
30	41,000	1	41,000	68	1,005,000	4	1,169,000	92.27%
31	43,000	1	43,000	69	1,048,000	3	1,177,000	92.90%
32	47,000	1	47,000	70	1,095,000	2	1,189,000	93.84%
33	72,000	1	72,000	71	1,167,000	1	1,239,000	97.79%
34	100,000	1	100,000	72	1,267,000	-	1,267,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1" Irrigation Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	167	-	167	-	941	-	0.00%
2	1,000	38	38,000	205	38,000	903	941,000	3.18%
3	2,000	37	74,000	242	112,000	866	1,844,000	6.22%
4	3,000	37	111,000	279	223,000	829	2,710,000	9.14%
5	4,000	34	136,000	313	359,000	795	3,539,000	11.94%
6	5,000	37	185,000	350	544,000	758	4,334,000	14.62%
7	6,000	21	126,000	371	670,000	737	5,092,000	17.18%
8	7,000	32	224,000	403	894,000	705	5,829,000	19.67%
9	8,000	17	136,000	420	1,030,000	688	6,534,000	22.05%
10	9,000	11	99,000	431	1,129,000	677	7,222,000	24.37%
11	10,000	21	210,000	452	1,339,000	656	7,899,000	26.65%
12	11,000	29	319,000	481	1,658,000	627	8,555,000	28.87%
13	12,000	23	276,000	504	1,934,000	604	9,182,000	30.98%
14	13,000	21	273,000	525	2,207,000	583	9,786,000	33.02%
15	14,000	21	294,000	546	2,501,000	562	10,369,000	34.99%
16	15,000	19	285,000	565	2,786,000	543	10,931,000	36.88%
17	16,000	25	400,000	590	3,186,000	518	11,474,000	38.72%
18	17,000	14	238,000	604	3,424,000	504	11,992,000	40.46%
19	18,000	16	288,000	620	3,712,000	488	12,496,000	42.16%
20	19,000	14	266,000	634	3,978,000	474	12,984,000	43.81%
21	20,000	18	360,000	652	4,338,000	456	13,458,000	45.41%
22	21,000	13	273,000	665	4,611,000	443	13,914,000	46.95%
23	22,000	11	242,000	676	4,853,000	432	14,357,000	48.44%
24	23,000	16	368,000	692	5,221,000	416	14,789,000	49.90%
25	24,000	11	264,000	703	5,485,000	405	15,205,000	51.30%
26	25,000	9	225,000	712	5,710,000	396	15,610,000	52.67%
27	26,000	15	390,000	727	6,100,000	381	16,006,000	54.01%
28	27,000	15	405,000	742	6,505,000	366	16,387,000	55.29%
29	28,000	10	280,000	752	6,785,000	356	16,753,000	56.53%
30	29,000	11	319,000	763	7,104,000	345	17,109,000	57.73%
31	30,000	14	420,000	777	7,524,000	331	17,454,000	58.89%
32	31,000	10	310,000	787	7,834,000	321	17,785,000	60.01%
33	32,000	15	480,000	802	8,314,000	306	18,106,000	61.09%
34	33,000	12	396,000	814	8,710,000	294	18,412,000	62.13%
35	34,000	12	408,000	826	9,118,000	282	18,706,000	63.12%
36	35,000	6	210,000	832	9,328,000	276	18,988,000	64.07%
37	36,000	15	540,000	847	9,868,000	261	19,264,000	65.00%
38	37,000	21	777,000	868	10,645,000	240	19,525,000	65.88%
39	38,000	5	190,000	873	10,835,000	235	19,765,000	66.69%
40	39,000	9	351,000	882	11,186,000	226	20,000,000	67.48%
41	40,000	10	400,000	892	11,586,000	216	20,226,000	68.25%
42	41,000	2	82,000	894	11,668,000	214	20,442,000	68.97%

43	42,000	5	210,000	899	11,878,000	209	20,656,000	69.70%
44	43,000	9	387,000	908	12,265,000	200	20,865,000	70.40%
45	44,000	3	132,000	911	12,397,000	197	21,065,000	71.08%
46	45,000	3	135,000	914	12,532,000	194	21,262,000	71.74%
47	46,000	6	276,000	920	12,808,000	188	21,456,000	72.40%
48	47,000	8	376,000	928	13,184,000	180	21,644,000	73.03%
49	48,000	9	432,000	937	13,616,000	171	21,824,000	73.64%
50	49,000	7	343,000	944	13,959,000	164	21,995,000	74.21%
51	50,000	8	400,000	952	14,359,000	156	22,159,000	74.77%
52	51,000	7	357,000	959	14,716,000	149	22,315,000	75.29%
53	52,000	9	468,000	968	15,184,000	140	22,464,000	75.80%
54	53,000	4	212,000	972	15,396,000	136	22,604,000	76.27%
55	54,000	5	270,000	977	15,666,000	131	22,740,000	76.73%
56	55,000	5	275,000	982	15,941,000	126	22,871,000	77.17%
57	56,000	6	336,000	988	16,277,000	120	22,997,000	77.60%
58	57,000	4	228,000	992	16,505,000	116	23,117,000	78.00%
59	58,000	4	232,000	996	16,737,000	112	23,233,000	78.39%
60	59,000	4	236,000	1,000	16,973,000	108	23,345,000	78.77%
61	60,000	3	180,000	1,003	17,153,000	105	23,453,000	79.13%
62	62,000	7	434,000	1,010	17,587,000	98	23,663,000	79.84%
63	63,000	2	126,000	1,012	17,713,000	96	23,761,000	80.17%
64	64,000	1	64,000	1,013	17,777,000	95	23,857,000	80.50%
65	65,000	1	65,000	1,014	17,842,000	94	23,952,000	80.82%
66	66,000	1	66,000	1,015	17,908,000	93	24,046,000	81.14%
67	67,000	1	67,000	1,016	17,975,000	92	24,139,000	81.45%
68	68,000	5	340,000	1,021	18,315,000	87	24,231,000	81.76%
69	69,000	3	207,000	1,024	18,522,000	84	24,318,000	82.05%
70	70,000	4	280,000	1,028	18,802,000	80	24,402,000	82.34%
71	72,000	2	144,000	1,030	18,946,000	78	24,562,000	82.88%
72	73,000	1	73,000	1,031	19,019,000	77	24,640,000	83.14%
73	74,000	3	222,000	1,034	19,241,000	74	24,717,000	83.40%
74	75,000	1	75,000	1,035	19,316,000	73	24,791,000	83.65%
75	76,000	1	76,000	1,036	19,392,000	72	24,864,000	83.90%
76	77,000	3	231,000	1,039	19,623,000	69	24,936,000	84.14%
77	78,000	2	156,000	1,041	19,779,000	67	25,005,000	84.37%
78	79,000	1	79,000	1,042	19,858,000	66	25,072,000	84.60%
79	80,000	1	80,000	1,043	19,938,000	65	25,138,000	84.82%
80	81,000	2	162,000	1,045	20,100,000	63	25,203,000	85.04%
81	82,000	2	164,000	1,047	20,264,000	61	25,266,000	85.25%
82	83,000	3	249,000	1,050	20,513,000	58	25,327,000	85.46%
83	84,000	2	168,000	1,052	20,681,000	56	25,385,000	85.65%
84	85,000	2	170,000	1,054	20,851,000	54	25,441,000	85.84%
85	86,000	1	86,000	1,055	20,937,000	53	25,495,000	86.02%
86	87,000	1	87,000	1,056	21,024,000	52	25,548,000	86.20%
87	88,000	1	88,000	1,057	21,112,000	51	25,600,000	86.38%
88	89,000	2	178,000	1,059	21,290,000	49	25,651,000	86.55%
89	91,000	1	91,000	1,060	21,381,000	48	25,749,000	86.88%
90	92,000	3	276,000	1,063	21,657,000	45	25,797,000	87.04%
91	94,000	2	188,000	1,065	21,845,000	43	25,887,000	87.35%
92	96,000	1	96,000	1,066	21,941,000	42	25,973,000	87.64%
93	97,000	1	97,000	1,067	22,038,000	41	26,015,000	87.78%
94	99,000	1	99,000	1,068	22,137,000	40	26,097,000	88.06%

95	100,000	1	100,000	1,069	22,237,000	39	26,137,000	88.19%
96	101,000	2	202,000	1,071	22,439,000	37	26,176,000	88.32%
97	103,000	1	103,000	1,072	22,542,000	36	26,250,000	88.57%
98	105,000	2	210,000	1,074	22,752,000	34	26,322,000	88.81%
99	106,000	1	106,000	1,075	22,858,000	33	26,356,000	88.93%
100	110,000	1	110,000	1,076	22,968,000	32	26,488,000	89.37%
101	111,000	1	111,000	1,077	23,079,000	31	26,520,000	89.48%
102	114,000	3	342,000	1,080	23,421,000	28	26,613,000	89.80%
103	115,000	1	115,000	1,081	23,536,000	27	26,641,000	89.89%
104	117,000	1	117,000	1,082	23,653,000	26	26,695,000	90.07%
105	118,000	1	118,000	1,083	23,771,000	25	26,721,000	90.16%
106	119,000	2	238,000	1,085	24,009,000	23	26,746,000	90.25%
107	125,000	1	125,000	1,086	24,134,000	22	26,884,000	90.71%
108	135,000	1	135,000	1,087	24,269,000	21	27,104,000	91.45%
109	136,000	1	136,000	1,088	24,405,000	20	27,125,000	91.52%
110	138,000	1	138,000	1,089	24,543,000	19	27,165,000	91.66%
111	157,000	2	314,000	1,091	24,857,000	17	27,526,000	92.88%
112	159,000	1	159,000	1,092	25,016,000	16	27,560,000	92.99%
113	164,000	1	164,000	1,093	25,180,000	15	27,640,000	93.26%
114	171,000	1	171,000	1,094	25,351,000	14	27,745,000	93.62%
115	179,000	2	358,000	1,096	25,709,000	12	27,857,000	93.99%
116	181,000	1	181,000	1,097	25,890,000	11	27,881,000	94.07%
117	194,000	1	194,000	1,098	26,084,000	10	28,024,000	94.56%
118	207,000	1	207,000	1,099	26,291,000	9	28,154,000	95.00%
119	251,000	1	251,000	1,100	26,542,000	8	28,550,000	96.33%
120	299,000	1	299,000	1,101	26,841,000	7	28,934,000	97.63%
121	338,000	1	338,000	1,102	27,179,000	6	29,207,000	98.55%
122	354,000	1	354,000	1,103	27,533,000	5	29,303,000	98.87%
123	367,000	1	367,000	1,104	27,900,000	4	29,368,000	99.09%
124	374,000	1	374,000	1,105	28,274,000	3	29,396,000	99.19%
125	389,000	1	389,000	1,106	28,663,000	2	29,441,000	99.34%
126	405,000	1	405,000	1,107	29,068,000	1	29,473,000	99.45%
127	569,000	1	569,000	1,108	29,637,000	-	29,637,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
2" Irrigation Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	1	-	1	-	83	-	0.00%
2	1,000	1	1,000	2	1,000	82	83,000	0.43%
3	2,000	5	10,000	7	11,000	77	165,000	0.86%
4	3,000	1	3,000	8	14,000	76	242,000	1.26%
5	4,000	1	4,000	9	18,000	75	318,000	1.66%
6	6,000	2	12,000	11	30,000	73	468,000	2.44%
7	7,000	1	7,000	12	37,000	72	541,000	2.82%
8	9,000	1	9,000	13	46,000	71	685,000	3.57%
9	10,000	1	10,000	14	56,000	70	756,000	3.93%
10	15,000	1	15,000	15	71,000	69	1,106,000	5.76%
11	17,000	2	34,000	17	105,000	67	1,244,000	6.47%
12	19,000	1	19,000	18	124,000	66	1,378,000	7.17%
13	20,000	1	20,000	19	144,000	65	1,444,000	7.52%
14	21,000	1	21,000	20	165,000	64	1,509,000	7.85%
15	23,000	2	46,000	22	211,000	62	1,637,000	8.52%
16	26,000	1	26,000	23	237,000	61	1,823,000	9.49%
17	29,000	1	29,000	24	266,000	60	2,006,000	10.44%
18	31,000	1	31,000	25	297,000	59	2,126,000	11.06%
19	35,000	1	35,000	26	332,000	58	2,362,000	12.29%
20	36,000	1	36,000	27	368,000	57	2,420,000	12.59%
21	38,000	1	38,000	28	406,000	56	2,534,000	13.19%
22	40,000	2	80,000	30	486,000	54	2,646,000	13.77%
23	41,000	1	41,000	31	527,000	53	2,700,000	14.05%
24	43,000	1	43,000	32	570,000	52	2,806,000	14.60%
25	45,000	1	45,000	33	615,000	51	2,910,000	15.15%
26	48,000	1	48,000	34	663,000	50	3,063,000	15.94%
27	49,000	1	49,000	35	712,000	49	3,113,000	16.20%
28	56,000	1	56,000	36	768,000	48	3,456,000	17.99%
29	57,000	1	57,000	37	825,000	47	3,504,000	18.24%
30	84,000	1	84,000	38	909,000	46	4,773,000	24.84%
31	104,000	1	104,000	39	1,013,000	45	5,693,000	29.63%
32	107,000	1	107,000	40	1,120,000	44	5,828,000	30.33%
33	110,000	1	110,000	41	1,230,000	43	5,960,000	31.02%
34	113,000	2	226,000	43	1,456,000	41	6,089,000	31.69%
35	116,000	1	116,000	44	1,572,000	40	6,212,000	32.33%
36	127,000	1	127,000	45	1,699,000	39	6,652,000	34.62%
37	129,000	1	129,000	46	1,828,000	38	6,730,000	35.03%
38	147,000	1	147,000	47	1,975,000	37	7,414,000	38.59%
39	167,000	2	334,000	49	2,309,000	35	8,154,000	42.44%
40	170,000	1	170,000	50	2,479,000	34	8,259,000	42.98%
41	178,000	1	178,000	51	2,657,000	33	8,531,000	44.40%

42	186,000	1	186,000	52	2,843,000	32	8,795,000	45.77%
43	197,000	1	197,000	53	3,040,000	31	9,147,000	47.61%
44	204,000	2	408,000	55	3,448,000	29	9,364,000	48.74%
45	214,000	1	214,000	56	3,662,000	28	9,654,000	50.24%
46	219,000	1	219,000	57	3,881,000	27	9,794,000	50.97%
47	256,000	2	512,000	59	4,393,000	25	10,793,000	56.17%
48	260,000	1	260,000	60	4,653,000	24	10,893,000	56.69%
49	280,000	2	560,000	62	5,213,000	22	11,373,000	59.19%
50	285,000	1	285,000	63	5,498,000	21	11,483,000	59.76%
51	296,000	1	296,000	64	5,794,000	20	11,714,000	60.97%
52	299,000	1	299,000	65	6,093,000	19	11,774,000	61.28%
53	302,000	1	302,000	66	6,395,000	18	11,831,000	61.57%
54	357,000	2	714,000	68	7,109,000	16	12,821,000	66.73%
55	360,000	1	360,000	69	7,469,000	15	12,869,000	66.98%
56	454,000	1	454,000	70	7,923,000	14	14,279,000	74.32%
57	469,000	1	469,000	71	8,392,000	13	14,489,000	75.41%
58	500,000	1	500,000	72	8,892,000	12	14,892,000	77.51%
59	560,000	1	560,000	73	9,452,000	11	15,612,000	81.25%
60	574,000	1	574,000	74	10,026,000	10	15,766,000	82.05%
61	621,000	1	621,000	75	10,647,000	9	16,236,000	84.50%
62	734,000	1	734,000	76	11,381,000	8	17,253,000	89.79%
63	840,000	1	840,000	77	12,221,000	7	18,101,000	94.21%
64	906,000	1	906,000	78	13,127,000	6	18,563,000	96.61%
65	925,000	1	925,000	79	14,052,000	5	18,677,000	97.21%
66	927,000	1	927,000	80	14,979,000	4	18,687,000	97.26%
67	928,000	1	928,000	81	15,907,000	3	18,691,000	97.28%
68	985,000	1	985,000	82	16,892,000	2	18,862,000	98.17%
69	1,080,000	1	1,080,000	83	17,972,000	1	19,052,000	99.16%
70	1,242,000	1	1,242,000	84	19,214,000	-	19,214,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1" School Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	3,000	1	3,000	1	3,000	11	36,000	18.37%
2	8,000	1	8,000	2	11,000	10	91,000	46.43%
3	13,000	1	13,000	3	24,000	9	141,000	71.94%
4	14,000	1	14,000	4	38,000	8	150,000	76.53%
5	16,000	2	32,000	6	70,000	6	166,000	84.69%
6	19,000	2	38,000	8	108,000	4	184,000	93.88%
7	21,000	2	42,000	10	150,000	2	192,000	97.96%
8	23,000	2	46,000	12	196,000	-	196,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1.5" School Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	12,000	1	12,000	1	12,000	11	144,000	30.44%
2	21,000	1	21,000	2	33,000	10	243,000	51.37%
3	32,000	1	32,000	3	65,000	9	353,000	74.63%
4	34,000	1	34,000	4	99,000	8	371,000	78.44%
5	39,000	1	39,000	5	138,000	7	411,000	86.89%
6	41,000	1	41,000	6	179,000	6	425,000	89.85%
7	43,000	1	43,000	7	222,000	5	437,000	92.39%
8	46,000	1	46,000	8	268,000	4	452,000	95.56%
9	47,000	1	47,000	9	315,000	3	456,000	96.41%
10	51,000	1	51,000	10	366,000	2	468,000	98.94%
11	53,000	1	53,000	11	419,000	1	472,000	99.79%
12	54,000	1	54,000	12	473,000	-	473,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
2" School Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	1,000	1	1,000	1	1,000	71	72,000	3.92%
2	4,000	1	4,000	2	5,000	70	285,000	15.51%
3	5,000	3	15,000	5	20,000	67	355,000	19.31%
4	6,000	4	24,000	9	44,000	63	422,000	22.96%
5	7,000	5	35,000	14	79,000	58	485,000	26.39%
6	8,000	2	16,000	16	95,000	56	543,000	29.54%
7	9,000	6	54,000	22	149,000	50	599,000	32.59%
8	10,000	2	20,000	24	169,000	48	649,000	35.31%
9	11,000	7	77,000	31	246,000	41	697,000	37.92%
10	12,000	2	24,000	33	270,000	39	738,000	40.15%
11	13,000	4	52,000	37	322,000	35	777,000	42.27%
12	14,000	3	42,000	40	364,000	32	812,000	44.18%
13	15,000	4	60,000	44	424,000	28	844,000	45.92%
14	16,000	2	32,000	46	456,000	26	872,000	47.44%
15	17,000	1	17,000	47	473,000	25	898,000	48.86%
16	19,000	1	19,000	48	492,000	24	948,000	51.58%
17	20,000	2	40,000	50	532,000	22	972,000	52.88%
18	21,000	4	84,000	54	616,000	18	994,000	54.08%
19	24,000	1	24,000	55	640,000	17	1,048,000	57.02%
20	26,000	1	26,000	56	666,000	16	1,082,000	58.87%
21	28,000	1	28,000	57	694,000	15	1,114,000	60.61%
22	30,000	1	30,000	58	724,000	14	1,144,000	62.24%
23	32,000	2	64,000	60	788,000	12	1,172,000	63.76%
24	34,000	1	34,000	61	822,000	11	1,196,000	65.07%
25	41,000	1	41,000	62	863,000	10	1,273,000	69.26%
26	42,000	1	42,000	63	905,000	9	1,283,000	69.80%
27	48,000	1	48,000	64	953,000	8	1,337,000	72.74%
28	68,000	1	68,000	65	1,021,000	7	1,497,000	81.45%
29	83,000	1	83,000	66	1,104,000	6	1,602,000	87.16%
30	90,000	1	90,000	67	1,194,000	5	1,644,000	89.45%
31	95,000	1	95,000	68	1,289,000	4	1,669,000	90.81%
32	126,000	1	126,000	69	1,415,000	3	1,793,000	97.55%
33	131,000	1	131,000	70	1,546,000	2	1,808,000	98.37%
34	135,000	1	135,000	71	1,681,000	1	1,816,000	98.80%
35	157,000	1	157,000	72	1,838,000	-	1,838,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
10" School Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	105,000	1	105,000	1	105,000	11	1,260,000	41.54%
2	128,000	1	128,000	2	233,000	10	1,513,000	49.88%
3	144,000	1	144,000	3	377,000	9	1,673,000	55.16%
4	172,000	1	172,000	4	549,000	8	1,925,000	63.47%
5	226,000	1	226,000	5	775,000	7	2,357,000	77.71%
6	239,000	1	239,000	6	1,014,000	6	2,448,000	80.71%
7	306,000	1	306,000	7	1,320,000	5	2,850,000	93.97%
8	313,000	1	313,000	8	1,633,000	4	2,885,000	95.12%
9	314,000	1	314,000	9	1,947,000	3	2,889,000	95.25%
10	343,000	1	343,000	10	2,290,000	2	2,976,000	98.12%
11	363,000	1	363,000	11	2,653,000	1	3,016,000	99.44%
12	380,000	1	380,000	12	3,033,000	-	3,033,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
5/8" Wholesale Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	789,000	1	789,000	1	789,000	11	9,468,000	75.08%
2	813,000	1	813,000	2	1,602,000	10	9,732,000	77.18%
3	814,000	1	814,000	3	2,416,000	9	9,742,000	77.26%
4	922,000	1	922,000	4	3,338,000	8	10,714,000	84.96%
5	962,000	1	962,000	5	4,300,000	7	11,034,000	87.50%
6	1,038,000	1	1,038,000	6	5,338,000	6	11,566,000	91.72%
7	1,087,000	1	1,087,000	7	6,425,000	5	11,860,000	94.05%
8	1,133,000	1	1,133,000	8	7,558,000	4	12,090,000	95.88%
9	1,148,000	1	1,148,000	9	8,706,000	3	12,150,000	96.35%
10	1,177,000	1	1,177,000	10	9,883,000	2	12,237,000	97.04%
11	1,343,000	1	1,343,000	11	11,226,000	1	12,569,000	99.67%
12	1,384,000	1	1,384,000	12	12,610,000	-	12,610,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
1" Wholesale Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	12	-	12	-	24	-	0.00%
2	12,000	1	12,000	13	12,000	23	288,000	30.61%
3	13,000	1	13,000	14	25,000	22	311,000	33.05%
4	14,000	1	14,000	15	39,000	21	333,000	35.39%
5	15,000	1	15,000	16	54,000	20	354,000	37.62%
6	16,000	2	32,000	18	86,000	18	374,000	39.74%
7	17,000	2	34,000	20	120,000	16	392,000	41.66%
8	18,000	1	18,000	21	138,000	15	408,000	43.36%
9	23,000	1	23,000	22	161,000	14	483,000	51.33%
10	30,000	1	30,000	23	191,000	13	581,000	61.74%
11	31,000	1	31,000	24	222,000	12	594,000	63.12%
12	41,000	1	41,000	25	263,000	11	714,000	75.88%
13	47,000	1	47,000	26	310,000	10	780,000	82.89%
14	51,000	1	51,000	27	361,000	9	820,000	87.14%
15	54,000	1	54,000	28	415,000	8	847,000	90.01%
16	55,000	1	55,000	29	470,000	7	855,000	90.86%
17	56,000	1	56,000	30	526,000	6	862,000	91.60%
18	59,000	1	59,000	31	585,000	5	880,000	93.52%
19	60,000	1	60,000	32	645,000	4	885,000	94.05%
20	68,000	1	68,000	33	713,000	3	917,000	97.45%
21	72,000	1	72,000	34	785,000	2	929,000	98.72%
22	76,000	1	76,000	35	861,000	1	937,000	99.57%
23	80,000	1	80,000	36	941,000	-	941,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

Bermuda Water Company
Test Year Ended: 8/31.2015
4" Wholesale Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	23,000	1	23,000	1	23,000	11	276,000	51.11%
2	24,000	1	24,000	2	47,000	10	287,000	53.15%
3	27,000	1	27,000	3	74,000	9	317,000	58.70%
4	29,000	1	29,000	4	103,000	8	335,000	62.04%
5	37,000	1	37,000	5	140,000	7	399,000	73.89%
6	38,000	1	38,000	6	178,000	6	406,000	75.19%
7	43,000	1	43,000	7	221,000	5	436,000	80.74%
8	53,000	1	53,000	8	274,000	4	486,000	90.00%
9	58,000	1	58,000	9	332,000	3	506,000	93.70%
10	59,000	1	59,000	10	391,000	2	509,000	94.26%
11	73,000	1	73,000	11	464,000	1	537,000	99.44%
12	76,000	1	76,000	12	540,000	-	540,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15

Recap Schedules : H-2, E-7

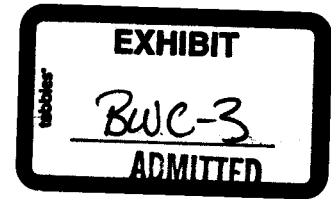
Bermuda Water Company
Test Year Ended: 8/31.2015
6" Wholesale Bills

Exhibit:
Schedule H-5

Witness: Jason
Martin

Line No.	Usage Level (Gals.)	Test Year Actuals		Cumulative Test Year		Reversed Bills	Consolidated Factor	Percentage of Total
		Bills	Usage	Bills	Usage			
1	-	10	-	10	-	38	-	0.00%
2	1,000	2	2,000	12	2,000	36	38,000	0.04%
3	4,000	1	4,000	13	6,000	35	146,000	0.16%
4	9,000	1	9,000	14	15,000	34	321,000	0.34%
5	21,000	2	42,000	16	57,000	32	729,000	0.78%
6	32,000	1	32,000	17	89,000	31	1,081,000	1.16%
7	37,000	1	37,000	18	126,000	30	1,236,000	1.32%
8	78,000	1	78,000	19	204,000	29	2,466,000	2.64%
9	90,000	1	90,000	20	294,000	28	2,814,000	3.01%
10	94,000	1	94,000	21	388,000	27	2,926,000	3.13%
11	98,000	1	98,000	22	486,000	26	3,034,000	3.25%
12	114,000	1	114,000	23	600,000	25	3,450,000	3.69%
13	135,000	1	135,000	24	735,000	24	3,975,000	4.25%
14	2,745,000	1	2,745,000	25	3,480,000	23	66,615,000	71.29%
15	2,921,000	1	2,921,000	26	6,401,000	22	70,663,000	75.62%
16	2,959,000	1	2,959,000	27	9,360,000	21	71,499,000	76.52%
17	3,098,000	1	3,098,000	28	12,458,000	20	74,418,000	79.64%
18	3,160,000	1	3,160,000	29	15,618,000	19	75,658,000	80.97%
19	3,191,000	1	3,191,000	30	18,809,000	18	76,247,000	81.60%
20	3,257,000	1	3,257,000	31	22,066,000	17	77,435,000	82.87%
21	3,359,000	1	3,359,000	32	25,425,000	16	79,169,000	84.73%
22	3,388,000	1	3,388,000	33	28,813,000	15	79,633,000	85.22%
23	3,482,000	1	3,482,000	34	32,295,000	14	81,043,000	86.73%
24	3,779,000	1	3,779,000	35	36,074,000	13	85,201,000	91.18%
25	3,933,000	1	3,933,000	36	40,007,000	12	87,203,000	93.33%
26	3,971,000	1	3,971,000	37	43,978,000	11	87,659,000	93.81%
27	3,992,000	1	3,992,000	38	47,970,000	10	87,890,000	94.06%
28	4,020,000	1	4,020,000	39	51,990,000	9	88,170,000	94.36%
29	4,027,000	1	4,027,000	40	56,017,000	8	88,233,000	94.43%
30	4,103,000	1	4,103,000	41	60,120,000	7	88,841,000	95.08%
31	4,176,000	1	4,176,000	42	64,296,000	6	89,352,000	95.63%
32	4,458,000	1	4,458,000	43	68,754,000	5	91,044,000	97.44%
33	4,473,000	1	4,473,000	44	73,227,000	4	91,119,000	97.52%
34	4,836,000	1	4,836,000	45	78,063,000	3	92,571,000	99.07%
35	4,891,000	1	4,891,000	46	82,954,000	2	92,736,000	99.25%
36	4,912,000	1	4,912,000	47	87,866,000	1	92,778,000	99.29%
37	5,573,000	1	5,573,000	48	93,439,000	-	93,439,000	100.00%

Supporting Schedules : Test Tr Consum Ending 8-31-15
 Recap Schedules : H-2, E-7



1 FENNEMORE CRAIG, P.C.
2 Patrick J. Black (No. 017141)
3 2934 E. Camelback Rd, Suite 600
4 Phoenix, Arizona 85016
5 Attorneys for Bermuda Water Company, Inc.

6
7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE
9 APPLICATION OF BERMUDA WATER
10 COMPANY. AN ARIZONA
11 CORPORATION, FOR A
12 DETERMINATION OF THE FAIR
13 VALUE OF ITS UTILITY PLANTS AND
14 PROPERTY AND FOR INCREASES IN
15 ITS WATER RATES AND CHARGES
16 FOR UTILITY SERVICE BASED
17 THEREON.

DOCKET NO: W-01812A-15-

18 **DIRECT TESTIMONY OF**
19 **WENDOLYN S.W. BARNETT**
20
21
22
23
24
25
26

1 Q. PLEASE STATE YOUR NAME, PRESENT POSITION AND BUSINESS
2 ADDRESS.

3 A. My name is Wendolyn Barnett and I am the President for the Western Region of
4 Utilities, Inc. ("UI"), which includes Arizona and Nevada. In my position as
5 President, I oversee all business activity for Bermuda Water Company ("Bermuda"
6 or the "Company"), a subsidiary of UI. My business address is 1240 E. State
7 Street, Suite 115, Pahrump, Nevada 89048.

8 Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

9 A. In my current position, I am responsible for directing the safe, efficient and
10 economical operation of the Western Region assets. My current duties and
11 responsibilities during the test year include the following:

- 12 • Economic performance of operating subsidiaries within the Western Region,
- 13 • Lead operations team to ensure compliance with all applicable local, state
14 and federal regulations,
- 15 • Maintain system assets in good operating condition,
- 16 • Develop long-term capital improvement plan to meet customer growth and
17 adherence to that plan,
- 18 • Margin review analysis to ensure efficient operations,
- 19 • Foster and ensure safe work environment for all employees,
- 20 • Manage customer relationships with the community,
- 21 • Manage and provide leadership for staff of approximately 39 employees,
- 22 • Provide company and customer-related information to national
23 headquarters, and
- 24 • Staying abreast of local environmental and utility regulations.

25 Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL
26 BACKGROUND?

1 A. I graduated from Friends University in May of 1991 with a Bachelor of Science in
2 Human Resources. I have been employed by UI since June 6, 2006. I have been
3 involved in the water and sewer utility industry for eight (8) years managing nine
4 (9) water systems including forty-one active wells, eleven booster stations,
5 approximately twenty-four million gallons of storage and almost 450 miles of
6 water main, on the water side. I am responsible for overseeing a staff of 39
7 individuals, operating in two states through 7 UI affiliates that serve a total of
8 approximately 20,000 customers.

9

10 My employment with UI began as Business Manager for the Western Region. As
11 Business Manager, I was responsible for the evaluation of capital project proposals,
12 ensuring that alternatives had been explored to find the best resolution, evaluation
13 of expenses and for coordination with corporate accounting to maintain records. I
14 was promoted to Regional Director in 2008, and I became President in January
15 2014.

16 Q. HAVE YOU TESTIFIED BEFORE THE ARIZONA COMMERCE
17 COMMISSION (THE "COMMISSION")?

18 A. Yes. I provided testimony on behalf of the Company in Bermuda's last rate
19 application, Docket No. W-01812A-10-0521.

20 Q. HAVE YOU TESTIFIED BEFORE ANY OTHER PUBLIC UTILITY
21 COMMISSION?

22 A. Yes, I have provided testimony in Public Utilities Commission of Nevada in 23
23 dockets. See Exhibit 1 attached hereto.

24 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
25 PROCEEDING?

26 A. The purpose of my testimony is to provide the Commission with a brief overview

1 of the Company's operations, and our continued efforts to provide our customers
2 with the best possible water utility services. Additionally, I provide support for the
3 Company's application to increase its rates pertaining to the provision of water
4 utility services.

5 **Q. WOULD YOU BRIEFLY DESCRIBE THE COMPANY'S WATER**
6 **OPERATIONS?**

7 **A.** Yes. Bermuda's water system encompasses the southern portion of Bullhead
8 City, most of Fort Mojave Mesa and the northern portion of Mohave Valley which
9 are located along the Colorado River in Mohave County, Arizona. The Company's
10 operational office is centrally located at 4544 Highway 95 in a 4500 square foot
11 block building completed in 1991. The building contains our office, shop and
12 work areas.

13
14 The system spans an area 10 miles north to south and two to four miles east to west
15 with the certificated area covering all or a portion of 24 of the square mile sections.
16 The southern portion of the service area resembles a "checker board" due to land
17 ownership of alternating sections by the Fort Mojave Indian Reservation, the State
18 of Arizona, and the U.S. Department of the Interior, Bureau of Land Management,
19 (BLM).

20
21 The system is designed to provide potable water and sufficient water pressure to
22 provide fire protection service to residential and commercial customers in the
23 service area. Bermuda has developed two distinct pressure zones to take advantage
24 of the geographic elevations in order to supply water using gravity flows in the
25 distribution system. Pressure reducing valves are strategically located throughout
26 the system.

Bermuda wholesales water to EPCOR Water in Section 23, T19N, R22W, to Sunrise Vista Utility in Section 18, T19N, R22W, and to the Fort Mojave Tribal Utility Authority in Section 14, T18N, R22 W. There is also a tie-in at the Mesquite Creek subdivision on Boundary Cone Road to wholesale water to the Fort Mojave Tribal Utility Authority.

Ground water pumped from area wells has been deemed Colorado River water by various regulatory authorities and currently is subject to administrative requirements of the Colorado River Compact and other interstate agreements. Colorado River water is contracted to Bullhead City and the Mohave Valley Irrigation and Drainage District (MVIDD) by the U.S. Department of the Interior, Bureau of Reclamation. Prior to developing a subdivision in Bermuda's service area, developers are required to obtain a sufficient allocation of water from available contract supplies to serve the resulting population of the subdivision. It is currently the policy of the MVIDD to allocate water directly to the property being subdivided. Bermuda then supplies this water to the subdivisions within its service area.

The Company owns ten wells. Nine of the wells are in operation. The operating design for these wells is shown below in Table 1.

TABLE 1: SOURCE OF SUPPLY

Main Zone

Location ADWR No.	Depth (ft.)	Casing (in.)	Pump Depth (ft.)	Pump Motor	Rated Pump Capacity (GPM)	Actual Pumping Capacity (GPM)
Well #1 55-527191	200	20/16	168	75 HP	575	575
Well #2 55-600335	200	18	168	75 HP	575	575
Well #3						

1	55-600336	200	20	168	40 HP	320	320
2	Well #4 55-600337	180	8	148	30 HP	275	250
3	Well #6 55-806426	300	20	180	60 HP	460	460
4	Well #7 55-532342	185	12	160	60 HP	460	460
5	Well #8 55-565030	200	12	160	60 HP	460	460
6	Well #9 55-215355	200	16	160	60 HP	460	460
7	Well No. 10 55-215356	220	14	160	100 HP	1000	1000

The depth to water for the wells has not varied since the Company has been in business. Bermuda's system is designed to allow well pumping, whenever possible, during off-peak hours when power costs are less and there is no demand charge. Water from all wells is pumped to our main storage tanks. Water from the main storage site is boosted to the highest-pressure zone when needed. Bermuda has three storage sites in its two pressure zones. Two of the sites are in use while the third site is held for development of the southeastern portion of our system. Bermuda's storage capacity is in excess of 2.7 million gallons. Operating data is shown in Table 2 below.

TABLE 2: STORAGE CAPACITY

ZONE	SITE	CAPACITY	QUANTITY	ELEVATION
Main	El Rodeo Rd.	2,000,000	4	790
High	Arroyo Vista	744,000	2	940
High (Future)	Boundary Cone	Not in service	N/A	940

The Arroyo Vista Booster Station is located on Shadow Canyon Drive in Bullhead City. It was upgraded in 2009 to three 60 hp pumps, each with a pumping capacity of 500 gpm. It was designed to operate two pumps on a rotating basis

1 with the third pump as backup. Capacity at the booster station doubled due to this
2 upgrade.

3
4 The main storage reservoirs at the El Rodeo site hold 2,000,000 gallons at an
5 elevation of 790 feet. The site, which is centrally located on land leased from the
6 State of Arizona, provides gravity flow water with constant pressure to most of the
7 Company's active service area.

8
9 The storage reservoirs in the High Zone are supplied by water from the main
10 storage reservoir that is then lifted at the Arroyo Vista Booster Station. The
11 Arroyo Vista tank site is located on land leased from the U.S. Department of the
12 Interior, Bureau of Land Management (BLM). The southern, future storage site
13 near Boundary Cone Road is also located on land leased from the BLM.

14
15 Bermuda has approximately 170 miles of mains installed. The vast majority of the
16 main installations have occurred since 1984. Company mains are interconnected as
17 much as possible so as to provide an integrated system with few "dead end" lines.
18 Transmission lines are designed so that water is available to all parts of our system
19 in the event of well or storage outages.

20
21 Comparative operating statistics for customer connections for 2011, 2012, 2013,
22 and 2014 are shown in Table 3. Average daily usage includes water used for
23 construction as well as residential and commercial, and wholesale sales.

TABLE 3: CUSTOMER DEMAND

	2011	2012	2013	2014
Average Daily Usage per Customer (gallons)	364	350	336	328
Peak Month, Average Daily Usage per Customer (gallons)	437	412	410	384
Average Daily System Usage (MGD)	3.0	2.9	2.8	2.7
Peak Month, Average Daily System usage (MGD)	3.6	3.4	3.4	3.2

Q. WITHIN THE COMPANY, WHO IS RESPONSIBLE FOR ENSURING THAT CUSTOMERS ARE RECEIVING THE BEST POSSIBLE SERVICE?

A. I have the overall responsibility for ensuring that our customers receive the best possible service. In order to discharge this responsibility, I make every effort to see that the company hires and maintains a highly qualified and professional staff of individuals. Debra Fields is the Area Manager and Operator of Record. Together, we continue to make customer satisfaction the primary responsibility of each and every employee.

Q. WHAT ONGOING PROGRAMS DOES THE COMPANY HAVE IN PLACE TO HELP ENSURE THAT CUSTOMERS RECEIVE QUALITY UTILITY SERVICE?

A. First and foremost, we make certain that our operations personnel are duly certified by environmental regulatory authorities. We provide training resources in order to increase their knowledge and education in the water field. Some of our licensed operators hold the highest levels of water certifications allowed by the state of Arizona, and each certified operator must maintain 30-hours of additional, approved continuing education training every 3 years, as required by the Arizona

1 Department of Environmental Quality ("ADEQ"). We also hold monthly staff and
2 safety meetings to specifically address service concerns, as well as to increase
3 employee sensitivity to customer satisfaction, all while providing a safe working
4 environment. Topics covered include service problems we have encountered, steps
5 taken to solve these problems, new regulations and cost control measures. Specific
6 safety issues pertaining to not only operations, but at home safety are chosen for
7 discussion and review. These regular meetings also serve as an opportunity to
8 reinforce our customer service philosophy, as well as to keep each of us focused on
9 what is important – our customers. Continuing education programs are provided
10 for all employees, including classes routinely conducted by Company staff as well
11 as outside consultants. Our most valuable resource is our personnel. By keeping up
12 to date with new methods and changing regulations, we enable them to provide
13 better service and hold down costs.

14
15 To ensure that our customers are provided the best possible service we also employ
16 a capital improvements program, as well as ongoing operational programs such as
17 routine testing and periodic water main flushing to improve water quality, valve
18 exercising program, and a 24-hour-a-day, seven-day-a-week on-call emergency
19 service. Most facilities are checked 7 days per week, 365 days per year. Some
20 typical upgrades performed in the water systems include the installation of new
21 wells, replacement or repair of various pumping equipment, the installation of
22 additional chemical feed equipment, upgrades to the pumping capacity, piping,
23 electrical controls, replacement and or repair of hydro-pneumatic storage tanks,
24 installation of elevated storage tanks, and painting of all the facilities. These
25 programs and upgrades also help ensure that company-wide facilities are properly
26 maintained and safety standards are met.

1
2 Communication with our customers and community leaders regarding issues which
3 may have an impact on the quality or cost of service is also an important aspect of
4 our business. As increased environmental regulation continues to place upward
5 pressure on the cost of providing service, it becomes more important for us to
6 inform customers of the measures we must take to ensure that their drinking water
7 is safe. Included in these customer communication efforts would be attendance at
8 Bullhead City Franchise meetings, customer letters, bill inserts and back-of-the-bill
9 messages, and the annual Consumer Confidence Reports detailing the Safe
10 Drinking Water Act compliance.

11
12 In addition to these efforts, the Company has an established Web-site that provide
13 customers direct access to the company and information, we've also implemented
14 an automatic message delivery system whereby we are able to provide specific
15 information to customers in a particular geographic area or subdivision, advising
16 them of any upgrades or emergency repairs being done, which may cause service
17 outages. We are also able to notify customers in advance of scheduled repairs,
18 periodic flushing of the water system, or other updates regarding repairs being
19 made.

20 **Q. CAN YOU PROVIDE MORE DETAIL CONCERNING THE COMPANY'S**
21 **CAPITAL IMPROVEMENT PROGRAM?**

22 **A.** Certainly. UI has incorporated the 10-box asset management framework as
23 advocated by the USEPA. According to the USEPA, "Asset management is
24 maintaining a desired level of service for what you want your assets to
25 provide at the lowest life-cycle cost. Lowest life-cycle cost refers to the best
26 appropriate cost for rehabilitating, repairing or replacing an asset. Asset

1 management is a framework being widely adopted as a means to pursue and
2 achieve sustainable infrastructure. It is the practice of managing infrastructure
3 capital assets to minimize the total cost of owning and operating them
4 while delivering the desired service levels. Asset management programs
5 with good data, including asset attributes (e.g., age, condition and criticality),
6 life-cycle costing, proactive operations and maintenance (O&M) and capital
7 replacement plans based on cost-benefit analyses, can be the most efficient
8 method of meeting this challenge."¹
9

10 The asset management framework provides a systematic methodology to
11 incorporate the gathered information used to prioritize capital projects based
12 on level of service requirements, criticality of assets and condition
13 assessments of those assets. In addition, UI has developed asset
14 maintenance guidelines to extend the life of current assets. An asset
15 management plan is a dynamic plan evolving with changes in required levels
16 of service and continued information gathering and condition assessments,
17 and inclusion of the addition of new infrastructure.

18 **Q. HAS INCREASED FEDERAL REGULATION OF THE WATER**
19 **UTILITIES CONTINUED TO HAVE AN IMPACT ON THE COMPANY?**

20 **A.** Absolutely, yes. The EPA's Safe Drinking Water Act (SDWA) and the Clean
21 Water Act (CWA) have changed the way in which water utilities conduct their
22 business. The ADEQ implements statutes and regulations adopted by the state of
23 Arizona under these federal enactments. Additional costs have been placed upon
24 water and wastewater utilities to comply with more exacting limits in this area.
25

26 ¹ USEPA, Water: Sustainable Infrastructure

1 While we have already complied with many of the requirements contained in the
2 reauthorization of the SDWA and CWA, new requirements continue to be
3 promulgated.

4 **Q. DO YOU HAVE ANY SPECIFIC EXAMPLE OF FEDERAL**
5 **REGULATORY IMPACT TO BWC?**

6 **A.** Due to new regulations changing the MCL for Arsenic to 10 ppb, Well 5, which
7 had a contaminant level of 18 ppb, was taken out of inventory. A new 10 inch
8 water main was installed to supplement the water source for the Arroyo Booster
9 Station. The pumps at the booster station were upsized to 60 hp to meet demand.
10 The new Groundwater Rule and upcoming Revised Total Coliform rule could
11 cause increased sampling.

12 **Q. WHAT IMPACT DO THESE REGULATIONS HAVE ON THE**
13 **COMPANY'S CUSTOMERS?**

14 **A.** The cost of providing water and wastewater utility service will obviously increase;
15 but, in turn our customers receive the benefit of safer drinking water that is free of
16 harmful contaminants. Our customers also benefit from our commitment to provide
17 them with safe and reliable utility service which is reinforced by compliance.
18 Understandably, customers may be unaware of our efforts to meet regulatory
19 requirements since they do not necessarily see a perceptible change in the quality
20 of service and therefore, may also be largely unaware of the hidden benefits of
21 compliance. Without the benefits of compliance, residential development simply
22 cannot be sustained – much less begun. And, of course, these benefits accrue to the
23 overall well-being and value of the communities we serve.

24 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

25 **A.** Yes, however, I reserve the right to supplement or make corrections to this
26 testimony at the time of the hearing in this proceeding.

EXHIBIT 1

**TESTIMONY OF WENDOLYN S.W. BARNETT
IN DOCKETS BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

1. Application of Utilities, Inc. of Nevada for authority to increase rates for water service, Public Utilities Commission of Nevada (PUCN) Docket No. 09-06037 (filed June 30, 2009).
2. Petition of Utilities, Inc. of Central Nevada for a Declaratory Order regarding the interpretation and application of UICN's Rule 12 if Tariff No. 1-A, PUCN Docket No. 09-07017 (filed October 2, 2009).
3. In the Matter of Raymond Troutt v. Spring Creek Utilities Co., PUCN Docket No. 09-12013 (filed June 16, 2009).
4. Application of Utilities, Inc. of Central Nevada for authority to increase rates for water and sewer service, PUCN Docket No. 09-12017 (filed December 30, 2009).
5. James Riggs v. Utilities, Inc. of Central Nevada regarding water and sewer service not being provided by Utilities, Inc. of Central Nevada, PUCN Docket No. 10-03032 (filed March 31, 2010).
6. Application of Sky Ranch Water Service for authority to increase rates for water service, PUCN Docket No. 10-03032 (filed September 21, 2010).
7. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to a 300,000 gallon water storage tank and 2,400 feet of pipeline, PUCN Docket No. 10-11033 (filed November 30, 2010).
8. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct the Blakeland water production well, well house, chlorine injection system, standby generator, approximately 110 feet of 12-inch water pipe, approximately 195 feet of 10-inch pipe and associated facilities, PUCN Docket No. 11-02017 (filed February 23, 2011).
9. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct the Oakmont water production well, well house, chlorine injection system, standby generator, approximately 65 feet of 12-inch supply pipe, approximately 55 feet of 10-inch drain pipe and associated facilities, PUCN Docket No. 11-02016 (filed February 23, 2011).
10. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct approximately 30,305 linear feet of water pipeline, PUCN Docket No. 11-01003 (filed January 3, 2011).
11. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct a booster pump station and

approximately 7,250 linear feet of water pipeline, PUCN Docket No. 10-12012 (filed December 17, 2010).

12. Application of Utilities, Inc. of Central Nevada for acceptance of its 2011 Integrated Resource Plan, PUCN Docket 11-03002 (filed March 1, 2011).
13. Application of Spring Creek Utilities Co. for approval of the first amendment to the action plan of its 2009 Resource Plan for water and sewer services as it relates to its arsenic mitigation project, PUCN Docket No. 11-06016.
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15. Application of Spring Creek Utilities Co. for acceptance of its 2012 Integrated Resource Plan, and for relief properly related thereto, PUCN Docket No. 12-03003.
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17. Application of Utilities, Inc. of Nevada for acceptance of its 2013 Integrated Resource Plan, and for relief properly related thereto, PUCN Docket No. 13-03002.
18. Application of Utilities, Inc. of Central Nevada for approval of the first amendment to the Action Plan of the 2011 Integrated Resource Plan for water and sewer services as it relates to the effluent disposal site project for the wastewater system, PUCN Docket No. 13-09015.
19. Application of Utilities, Inc. of Central Nevada for approval of its 2014 Integrated Resource Plan, PUCN Docket No. 14-02043.
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24. Application of Utilities, Inc. of Central Nevada for authority to adjust its annual revenue requirement for water and sewer service rates charged to all classes of customers and for other relief properly related thereto, PUCN Docket No. 15-06063.

1 FENNEMORE CRAIG, P.C.
2 Patrick J. Black (No. 017141)
3 2934 E. Camelback Rd, Suite 600
4 Phoenix, Arizona 85016
5 Attorneys for Bermuda Water Company, Inc.

6
7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE
9 APPLICATION OF BERMUDA WATER
10 COMPANY. AN ARIZONA
11 CORPORATION, FOR A
12 DETERMINATION OF THE FAIR
13 VALUE OF ITS UTILITY PLANTS AND
14 PROPERTY AND FOR INCREASES IN
15 ITS WATER RATES AND CHARGES
16 FOR UTILITY SERVICE BASED
17 THEREON.

DOCKET NO: W-01812A-15-

18 **DIRECT TESTIMONY OF**
19 **WENDOLYN S.W. BARNETT**
20
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25
26

1 Q. PLEASE STATE YOUR NAME, PRESENT POSITION AND BUSINESS
2 ADDRESS.

3 A. My name is Wendolyn Barnett and I am the President for the Western Region of
4 Utilities, Inc. ("UI"), which includes Arizona and Nevada. In my position as
5 President, I oversee all business activity for Bermuda Water Company ("Bermuda"
6 or the "Company"), a subsidiary of UI. My business address is 1240 E. State
7 Street, Suite 115, Pahrump, Nevada 89048.

8 Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

9 A. In my current position, I am responsible for directing the safe, efficient and
10 economical operation of the Western Region assets. My current duties and
11 responsibilities during the test year include the following:

- 12 • Economic performance of operating subsidiaries within the Western Region,
- 13 • Lead operations team to ensure compliance with all applicable local, state
14 and federal regulations,
- 15 • Maintain system assets in good operating condition,
- 16 • Develop long-term capital improvement plan to meet customer growth and
17 adherence to that plan,
- 18 • Margin review analysis to ensure efficient operations,
- 19 • Foster and ensure safe work environment for all employees,
- 20 • Manage customer relationships with the community,
- 21 • Manage and provide leadership for staff of approximately 39 employees,
- 22 • Provide company and customer-related information to national
23 headquarters, and
- 24 • Staying abreast of local environmental and utility regulations.

25 Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL
26 BACKGROUND?

1 A. I graduated from Friends University in May of 1991 with a Bachelor of Science in
2 Human Resources. I have been employed by UI since June 6, 2006. I have been
3 involved in the water and sewer utility industry for eight (8) years managing nine
4 (9) water systems including forty-one active wells, eleven booster stations,
5 approximately twenty-four million gallons of storage and almost 450 miles of
6 water main, on the water side. I am responsible for overseeing a staff of 39
7 individuals, operating in two states through 7 UI affiliates that serve a total of
8 approximately 20,000 customers.

9
10 My employment with UI began as Business Manager for the Western Region. As
11 Business Manager, I was responsible for the evaluation of capital project proposals,
12 ensuring that alternatives had been explored to find the best resolution, evaluation
13 of expenses and for coordination with corporate accounting to maintain records. I
14 was promoted to Regional Director in 2008, and I became President in January
15 2014.

16 Q. HAVE YOU TESTIFIED BEFORE THE ARIZONA COMMERCE
17 COMMISSION (THE "COMMISSION")?

18 A. Yes. I provided testimony on behalf of the Company in Bermuda's last rate
19 application, Docket No. W-01812A-10-0521.

20 Q. HAVE YOU TESTIFIED BEFORE ANY OTHER PUBLIC UTILITY
21 COMMISSION?

22 A. Yes, I have provided testimony in Public Utilities Commission of Nevada in 23
23 dockets. See Exhibit 1 attached hereto.

24 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
25 PROCEEDING?

26 A. The purpose of my testimony is to provide the Commission with a brief overview

1 of the Company's operations, and our continued efforts to provide our customers
2 with the best possible water utility services. Additionally, I provide support for the
3 Company's application to increase its rates pertaining to the provision of water
4 utility services.

5 **Q. WOULD YOU BRIEFLY DESCRIBE THE COMPANY'S WATER**
6 **OPERATIONS?**

7 **A.** Yes. Bermuda's water system encompasses the southern portion of Bullhead
8 City, most of Fort Mojave Mesa and the northern portion of Mohave Valley which
9 are located along the Colorado River in Mohave County, Arizona. The Company's
10 operational office is centrally located at 4544 Highway 95 in a 4500 square foot
11 block building completed in 1991. The building contains our office, shop and
12 work areas.

13
14 The system spans an area 10 miles north to south and two to four miles east to west
15 with the certificated area covering all or a portion of 24 of the square mile sections.
16 The southern portion of the service area resembles a "checker board" due to land
17 ownership of alternating sections by the Fort Mojave Indian Reservation, the State
18 of Arizona, and the U.S. Department of the Interior, Bureau of Land Management,
19 (BLM).

20
21 The system is designed to provide potable water and sufficient water pressure to
22 provide fire protection service to residential and commercial customers in the
23 service area. Bermuda has developed two distinct pressure zones to take advantage
24 of the geographic elevations in order to supply water using gravity flows in the
25 distribution system. Pressure reducing valves are strategically located throughout
26 the system.

Bermuda wholesales water to EPCOR Water in Section 23, T19N, R22W, to Sunrise Vista Utility in Section 18, T19N, R22W, and to the Fort Mojave Tribal Utility Authority in Section 14, T18N, R22 W. There is also a tie-in at the Mesquite Creek subdivision on Boundary Cone Road to wholesale water to the Fort Mojave Tribal Utility Authority.

Ground water pumped from area wells has been deemed Colorado River water by various regulatory authorities and currently is subject to administrative requirements of the Colorado River Compact and other interstate agreements. Colorado River water is contracted to Bullhead City and the Mohave Valley Irrigation and Drainage District (MVIDD) by the U.S. Department of the Interior, Bureau of Reclamation. Prior to developing a subdivision in Bermuda's service area, developers are required to obtain a sufficient allocation of water from available contract supplies to serve the resulting population of the subdivision. It is currently the policy of the MVIDD to allocate water directly to the property being subdivided. Bermuda then supplies this water to the subdivisions within its service area.

The Company owns ten wells. Nine of the wells are in operation. The operating design for these wells is shown below in Table 1.

TABLE 1: SOURCE OF SUPPLY

Main Zone

Location ADWR No.	Depth (ft.)	Casing (in.)	Pump Depth (ft.)	Pump Motor	Rated Pump Capacity (GPM)	Actual Pumping Capacity (GPM)
Well #1 55-527191	200	20/16	168	75 HP	575	575
Well #2 55-600335	200	18	168	75 HP	575	575
Well #3						

1	55-600336	200	20	168	40 HP	320	320
2	Well #4 55-600337	180	8	148	30 HP	275	250
3	Well #6 55-806426	300	20	180	60 HP	460	460
4	Well #7 55-532342	185	12	160	60 HP	460	460
5	Well #8 55-565030	200	12	160	60 HP	460	460
6	Well #9 55-215355	200	16	160	60 HP	460	460
7	Well No. 10 55-215356	220	14	160	100 HP	1000	1000

8

9 The depth to water for the wells has not varied since the Company has been in

10 business. Bermuda's system is designed to allow well pumping, whenever possible,

11 during off-peak hours when power costs are less and there is no demand charge. Water

12 from all wells is pumped to our main storage tanks. Water from the main storage site is

13 boosted to the highest-pressure zone when needed. Bermuda has three storage sites in its

14 two pressure zones. Two of the sites are in use while the third site is held for

15 development of the southeastern portion of our system. Bermuda's storage capacity is in

16 excess of 2.7 million gallons. Operating data is shown in Table 2 below.

17 **TABLE 2: STORAGE CAPACITY**

18 ZONE	SITE	CAPACITY	QUANTITY	ELEVATION
19 Main	El Rodeo Rd.	2,000,000	4	790
20 High	Arroyo Vista	744,000	2	940
21 High (Future)	Boundary Cone	Not in service	N/A	940

22

23

24 The Arroyo Vista Booster Station is located on Shadow Canyon Drive in Bullhead

25 City. It was upgraded in 2009 to three 60 hp pumps, each with a pumping

26 capacity of 500 gpm. It was designed to operate two pumps on a rotating basis

1 with the third pump as backup. Capacity at the booster station doubled due to this
2 upgrade.

3
4 The main storage reservoirs at the El Rodeo site hold 2,000,000 gallons at an
5 elevation of 790 feet. The site, which is centrally located on land leased from the
6 State of Arizona, provides gravity flow water with constant pressure to most of the
7 Company's active service area.

8
9 The storage reservoirs in the High Zone are supplied by water from the main
10 storage reservoir that is then lifted at the Arroyo Vista Booster Station. The
11 Arroyo Vista tank site is located on land leased from the U.S. Department of the
12 Interior, Bureau of Land Management (BLM). The southern, future storage site
13 near Boundary Cone Road is also located on land leased from the BLM.

14
15 Bermuda has approximately 170 miles of mains installed. The vast majority of the
16 main installations have occurred since 1984. Company mains are interconnected as
17 much as possible so as to provide an integrated system with few "dead end" lines.
18 Transmission lines are designed so that water is available to all parts of our system
19 in the event of well or storage outages.

20
21 Comparative operating statistics for customer connections for 2011, 2012, 2013,
22 and 2014 are shown in Table 3. Average daily usage includes water used for
23 construction as well as residential and commercial, and wholesale sales.

TABLE 3: CUSTOMER DEMAND

	2011	2012	2013	2014
Average Daily Usage per Customer (gallons)	364	350	336	328
Peak Month, Average Daily Usage per Customer (gallons)	437	412	410	384
Average Daily System Usage (MGD)	3.0	2.9	2.8	2.7
Peak Month, Average Daily System usage (MGD)	3.6	3.4	3.4	3.2

Q. WITHIN THE COMPANY, WHO IS RESPONSIBLE FOR ENSURING THAT CUSTOMERS ARE RECEIVING THE BEST POSSIBLE SERVICE?

A. I have the overall responsibility for ensuring that our customers receive the best possible service. In order to discharge this responsibility, I make every effort to see that the company hires and maintains a highly qualified and professional staff of individuals. Debra Fields is the Area Manager and Operator of Record. Together, we continue to make customer satisfaction the primary responsibility of each and every employee.

Q. WHAT ONGOING PROGRAMS DOES THE COMPANY HAVE IN PLACE TO HELP ENSURE THAT CUSTOMERS RECEIVE QUALITY UTILITY SERVICE?

A. First and foremost, we make certain that our operations personnel are duly certified by environmental regulatory authorities. We provide training resources in order to increase their knowledge and education in the water field. Some of our licensed operators hold the highest levels of water certifications allowed by the state of Arizona, and each certified operator must maintain 30-hours of additional, approved continuing education training every 3 years, as required by the Arizona

1 Department of Environmental Quality ("ADEQ"). We also hold monthly staff and
2 safety meetings to specifically address service concerns, as well as to increase
3 employee sensitivity to customer satisfaction, all while providing a safe working
4 environment. Topics covered include service problems we have encountered, steps
5 taken to solve these problems, new regulations and cost control measures. Specific
6 safety issues pertaining to not only operations, but at home safety are chosen for
7 discussion and review. These regular meetings also serve as an opportunity to
8 reinforce our customer service philosophy, as well as to keep each of us focused on
9 what is important – our customers. Continuing education programs are provided
10 for all employees, including classes routinely conducted by Company staff as well
11 as outside consultants. Our most valuable resource is our personnel. By keeping up
12 to date with new methods and changing regulations, we enable them to provide
13 better service and hold down costs.

14
15 To ensure that our customers are provided the best possible service we also employ
16 a capital improvements program, as well as ongoing operational programs such as
17 routine testing and periodic water main flushing to improve water quality, valve
18 exercising program, and a 24-hour-a-day, seven-day-a-week on-call emergency
19 service. Most facilities are checked 7 days per week, 365 days per year. Some
20 typical upgrades performed in the water systems include the installation of new
21 wells, replacement or repair of various pumping equipment, the installation of
22 additional chemical feed equipment, upgrades to the pumping capacity, piping,
23 electrical controls, replacement and or repair of hydro-pneumatic storage tanks,
24 installation of elevated storage tanks, and painting of all the facilities. These
25 programs and upgrades also help ensure that company-wide facilities are properly
26 maintained and safety standards are met.

1
2 Communication with our customers and community leaders regarding issues which
3 may have an impact on the quality or cost of service is also an important aspect of
4 our business. As increased environmental regulation continues to place upward
5 pressure on the cost of providing service, it becomes more important for us to
6 inform customers of the measures we must take to ensure that their drinking water
7 is safe. Included in these customer communication efforts would be attendance at
8 Bullhead City Franchise meetings, customer letters, bill inserts and back-of-the-bill
9 messages, and the annual Consumer Confidence Reports detailing the Safe
10 Drinking Water Act compliance.

11
12 In addition to these efforts, the Company has an established Web-site that provide
13 customers direct access to the company and information, we've also implemented
14 an automatic message delivery system whereby we are able to provide specific
15 information to customers in a particular geographic area or subdivision, advising
16 them of any upgrades or emergency repairs being done, which may cause service
17 outages. We are also able to notify customers in advance of scheduled repairs,
18 periodic flushing of the water system, or other updates regarding repairs being
19 made.

20 **Q. CAN YOU PROVIDE MORE DETAIL CONCERNING THE COMPANY'S**
21 **CAPITAL IMPROVEMENT PROGRAM?**

22 **A.** Certainly. UI has incorporated the 10-box asset management framework as
23 advocated by the USEPA. According to the USEPA, "Asset management is
24 maintaining a desired level of service for what you want your assets to
25 provide at the lowest life-cycle cost. Lowest life-cycle cost refers to the best
26 appropriate cost for rehabilitating, repairing or replacing an asset. Asset

1 management is a framework being widely adopted as a means to pursue and
2 achieve sustainable infrastructure. It is the practice of managing infrastructure
3 capital assets to minimize the total cost of owning and operating them
4 while delivering the desired service levels. Asset management programs
5 with good data, including asset attributes (e.g., age, condition and criticality),
6 life-cycle costing, proactive operations and maintenance (O&M) and capital
7 replacement plans based on cost-benefit analyses, can be the most efficient
8 method of meeting this challenge."¹
9

10 The asset management framework provides a systematic methodology to
11 incorporate the gathered information used to prioritize capital projects based
12 on level of service requirements, criticality of assets and condition
13 assessments of those assets. In addition, UI has developed asset
14 maintenance guidelines to extend the life of current assets. An asset
15 management plan is a dynamic plan evolving with changes in required levels
16 of service and continued information gathering and condition assessments,
17 and inclusion of the addition of new infrastructure.

18 **Q. HAS INCREASED FEDERAL REGULATION OF THE WATER**
19 **UTILITIES CONTINUED TO HAVE AN IMPACT ON THE COMPANY?**

20 **A.** Absolutely, yes. The EPA's Safe Drinking Water Act (SDWA) and the Clean
21 Water Act (CWA) have changed the way in which water utilities conduct their
22 business. The ADEQ implements statutes and regulations adopted by the state of
23 Arizona under these federal enactments. Additional costs have been placed upon
24 water and wastewater utilities to comply with more exacting limits in this area.
25

26 ¹ USEPA, Water: Sustainable Infrastructure

1 While we have already complied with many of the requirements contained in the
2 reauthorization of the SDWA and CWA, new requirements continue to be
3 promulgated.

4 **Q. DO YOU HAVE ANY SPECIFIC EXAMPLE OF FEDERAL**
5 **REGULATORY IMPACT TO BWC?**

6 **A.** Due to new regulations changing the MCL for Arsenic to 10 ppb, Well 5, which
7 had a contaminant level of 18 ppb, was taken out of inventory. A new 10 inch
8 water main was installed to supplement the water source for the Arroyo Booster
9 Station. The pumps at the booster station were upsized to 60 hp to meet demand.
10 The new Groundwater Rule and upcoming Revised Total Coliform rule could
11 cause increased sampling.

12 **Q. WHAT IMPACT DO THESE REGULATIONS HAVE ON THE**
13 **COMPANY'S CUSTOMERS?**

14 **A.** The cost of providing water and wastewater utility service will obviously increase;
15 but, in turn our customers receive the benefit of safer drinking water that is free of
16 harmful contaminants. Our customers also benefit from our commitment to provide
17 them with safe and reliable utility service which is reinforced by compliance.
18 Understandably, customers may be unaware of our efforts to meet regulatory
19 requirements since they do not necessarily see a perceptible change in the quality
20 of service and therefore, may also be largely unaware of the hidden benefits of
21 compliance. Without the benefits of compliance, residential development simply
22 cannot be sustained – much less begun. And, of course, these benefits accrue to the
23 overall well-being and value of the communities we serve.

24 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

25 **A.** Yes, however, I reserve the right to supplement or make corrections to this
26 testimony at the time of the hearing in this proceeding.

EXHIBIT 1

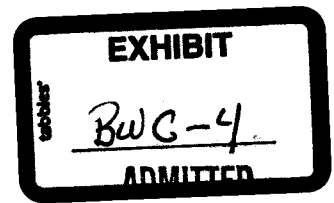
**TESTIMONY OF WENDOLYN S.W. BARNETT
IN DOCKETS BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

1. Application of Utilities, Inc. of Nevada for authority to increase rates for water service, Public Utilities Commission of Nevada (PUCN) Docket No. 09-06037 (filed June 30, 2009).
2. Petition of Utilities, Inc. of Central Nevada for a Declaratory Order regarding the interpretation and application of UICN's Rule 12 if Tariff No. 1-A, PUCN Docket No. 09-07017 (filed October 2, 2009).
3. In the Matter of Raymond Troutt v. Spring Creek Utilities Co., PUCN Docket No. 09-12013 (filed June 16, 2009).
4. Application of Utilities, Inc. of Central Nevada for authority to increase rates for water and sewer service, PUCN Docket No. 09-12017 (filed December 30, 2009).
5. James Riggs v. Utilities, Inc. of Central Nevada regarding water and sewer service not being provided by Utilities, Inc. of Central Nevada, PUCN Docket No. 10-03032 (filed March 31, 2010).
6. Application of Sky Ranch Water Service for authority to increase rates for water service, PUCN Docket No. 10-03032 (filed September 21, 2010).
7. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to a 300,000 gallon water storage tank and 2,400 feet of pipeline, PUCN Docket No. 10-11033 (filed November 30, 2010).
8. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct the Blakeland water production well, well house, chlorine injection system, standby generator, approximately 110 feet of 12-inch water pipe, approximately 195 feet of 10-inch pipe and associated facilities, PUCN Docket No. 11-02017 (filed February 23, 2011).
9. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct the Oakmont water production well, well house, chlorine injection system, standby generator, approximately 65 feet of 12-inch supply pipe, approximately 55 feet of 10-inch drain pipe and associated facilities, PUCN Docket No. 11-02016 (filed February 23, 2011).
10. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct approximately 30,305 linear feet of water pipeline, PUCN Docket No. 11-01003 (filed January 3, 2011).
11. Application of Spring Creek Utilities, Co. for authority under the provisions of the Utility Environmental Protection Act for a permit to construct a booster pump station and

approximately 7,250 linear feet of water pipeline, PUCN Docket No. 10-12012 (filed December 17, 2010).

12. Application of Utilities, Inc. of Central Nevada for acceptance of its 2011 Integrated Resource Plan, PUCN Docket 11-03002 (filed March 1, 2011).
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15. Application of Spring Creek Utilities Co. for acceptance of its 2012 Integrated Resource Plan, and for relief properly related thereto, PUCN Docket No. 12-03003.
16. Application of Utilities, Inc. of Central Nevada for authority to increase its annual revenue requirement for water service rates, to increase its annual revenue requirement for sewer service rates, to establish new charges, fees and rules for water and sewer customers; to approve the creation of regulatory asset accounts for costs of rebates to encourage water conservation and for costs of certain litigation and related activities; and for other relief properly related thereto, PUCN Docket No. 12-12033
17. Application of Utilities, Inc. of Nevada for acceptance of its 2013 Integrated Resource Plan, and for relief properly related thereto, PUCN Docket No. 13-03002.
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19. Application of Utilities, Inc. of Central Nevada for approval of its 2014 Integrated Resource Plan, PUCN Docket No. 14-02043.
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22. Application of Spring Creek Utilities Co. for approval of its 2015 Integrated Resource Plan, for approval to designate certain system improvement projects as eligible projects for which a system improvement rate may be established, for authority to establish regulatory asset accounts for costs of litigation related to water system, for relief from the directive in Docket No. 12-03003 regarding the meter replacement program, and for other relief properly related thereto, PUCN Docket No. 15-03004.
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24. Application of Utilities, Inc. of Central Nevada for authority to adjust its annual revenue requirement for water and sewer service rates charged to all classes of customers and for other relief properly related thereto, PUCN Docket No. 15-06063.



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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY. AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

**REBUTTAL TESTIMONY OF
JASON A. MARTIN**

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS FOR THE RECORD.**

4 **A.** My name is Jason A. Martin and I am the Financial Planning & Analysis (FP&A)
5 Manager for Bermuda Water Company ("Bermuda" or "Company") and all other
6 affiliates of Utilities Inc. ("UI") in Arizona and Nevada. My business address is
7 4544 Highway 95, Bullhead City, Arizona 86426.

8 **Q. ARE YOU THE SAME JASON A. MARTIN WHO FILED DIRECT**
9 **TESTIMONY IN THIS DOCKET?**

10 **A.** Yes. My direct testimony addressed the Company's application on the issues of
11 rate base, income statement, rate design and cost of capital.

12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 **A.** The purpose of my rebuttal testimony is to provide a response on behalf of
14 Bermuda to the Direct Testimony filed by Commission Staff on July 26, 2016.

15 **Q. ARE YOU THE ONLY COMPANY WITNESS PROVIDING REBUTTAL**
16 **TESTIMONY AT THIS TIME?**

17 **A.** Yes. Based on the recommendations provided by Staff witnesses Crystal S.
18 Brown, Dorothy Hains, P.E., and Phan Tsan, the Company believes that it can
19 stipulate to a large majority of adjustments to the Company's rate application as
20 originally filed on December 29, 2015 and later corrected on January 7, 2016.

21 **Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.**

22 **A.** Bermuda is prepared to stipulate to the adjustments recommended by Staff witness
23 Crystal Brown to the Company's requested cost of capital, as well as several
24 adjustments to rate base, revenue requirement and rate design offered by Staff
25 witnesses Dorothy Hains and Phan Tsan. However, there are three specific
26

1 recommendations made by Staff in its Direct Testimony that Bermuda believes can
2 be addressed so that the Company can stipulate to Staff's proposed
3 recommendation in their entirety. These three issues include (i) Cash Working
4 Capital, (ii) Depreciation Expense, and (iii) Accumulated Depreciation.

5 **II. REBUTTAL TO DIRECT TESTIMONY OF PHAN TSAN.**

6 **A. Depreciation Expense**

7 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
8 **CONCERNING DEPRECIATION EXPENSE**

9 **A.** I believe that Ms. Tsan's CIAC amortization rate of 2.04% is the weighted average
10 depreciation rate of all of the Company's assets depreciation rates.

11 **Q. WHAT ISSUES ARISE WITH USING THIS METHODOLOGY FOR**
12 **DETERMINING A CIAC AMORTIZATION RATE?**

13 **A.** CIAC is primarily specific to plant assets, which generally have longer
14 depreciations rates. Over-estimating an appropriate CIAC amortization rate may
15 have adverse impacts on both the Company and its ratepayers. In the short-term, it
16 adversely impacts the Company by reducing its revenue requirement specific to the
17 recovery of depreciation and amortization expense. In the long-term, amortizing
18 CIAC at a faster rate than the underlying asset will cause an artificial inflation in
19 future rate base, and are likely to result in ratepayers paying a rate of return on
20 assets that were contributed. However, when the CIAC rate and depreciation rates
21 are consistent, the Company and its ratepayers are unharmed in both the short and
22 long term.

23 **Q. HAS THE COMPANY ADDRESSED THESE CONCERNS WITH STAFF?**

24 **A.** Yes. Based on discussions with Staff, Bermuda is willing to agree and stipulate to
25 a CIAC amortization rate of _____ in order to address the Company's
26 concerns.

1 **B. Accumulated Depreciation**

2 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
3 **CONCERNING ACCUMULATED DEPRECIATION?**

4 **A.** The accumulated depreciation adjustment of \$194,872 was the aggregate result of
5 four primary adjustments. First, an adjustment of historic depreciation specific to
6 three asset accounts, as specified in the testimony of Ms. Tsan (pages 7 and 8) in
7 the amount of \$55,984. Second, an adjustment specific to the order issued in
8 Docket W-01812A-10-0521 in the amount \$69,990. Third, a correction of the
9 accumulated balance of account 340.5 in the amount of \$8,714. Fourth, an
10 adjustment to account 304.1 – Office Structures & Improvements in the amount of
11 \$60,184.

12 **Q. WHY IS THIS PROBLEMATIC FOR THE COMPANY?**

13 **A.** The Company is in agreement with the first three adjustments, but believes that the
14 fourth adjustment was an inadvertent adjustment.

15 **Q. HAS THE COMPANY ADDRESSED THESE CONCERNS WITH STAFF?**

16 **A.** Yes. Based on discussions with Staff, Bermuda is willing to agree and stipulate to
17 an adjustment of accumulated depreciation in the amount of _____ in
18 order to address the Company's concerns. This adjustment would reduce Staff's
19 proposed adjustments to accumulated depreciation of \$194,872 by _____. The
20 final accumulated depreciation balance therefore will be _____.

21 **C. Cash Working Capital**

22 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
23 **CONCERNING CASH WORKING CAPITAL?**

24 **A.** It appears that Staff is recommending a disallowance of the entire \$194,390 in cash
25 working capital Bermuda is requesting in this proceeding because the Company did
26 not use a lead-lag study to support its request.

1 **Q. WHY DID BERMUDA FAIL TO PERFORM A LEAD-LAG STUDY?**

2 **A.** As I previously mentioned, I am the FP&A Manager for all of UI's affiliated
3 utilities in Arizona and Nevada. UI has operating utilities in several other
4 jurisdictions, and the most widely accepted method for determining cash working
5 capital is the 1/8 Formula Method, which is what I used in the Company's original
6 application. This is my first rate case in Arizona, and I was unable to identify any
7 rule or regulation that prohibits Bermuda from using the 1/8 Formula Method to
8 calculate cash working capital. I have not performed a lead-lag study, but
9 understand they are complex. Thus, I determined that hiring a consultant to
10 perform a lead-lag would be an unnecessary rate case expense in light of the rules
11 and regulations that do not seem to preclude the use of the 1/8 Formula Method.

12 **Q. HAS THE COMPANY ADDRESSED THIS ISSUE WITH STAFF?**

13 **A.** Yes. I was unaware that Staff requires a lead-lag study for Class A, B and C
14 utilities in order to establish cash working capital. Based on the procedural
15 schedule in this rate proceeding, I believe it is too late to perform such a study.
16 However, cash working capital is a basic component in rate making, and the
17 Company believes that the Commission should grant some reasonable amount of
18 cash working capital.

19 **Q. WHAT DO YOU BELIEVE IS A REASONABLE AMOUNT OF CASH**
20 **WORKING CAPITAL FOR THE COMPANY DESPITE THE ABSENCE**
21 **OF A LEAD-LAG STUDY?**

22 **A.** Based on discussions with Staff, Bermuda is willing to agree and stipulated to a
23 cash working capital allowance of _____.

24 **III. CONCLUSION**

25 **Q. WHAT IS BERMUDA'S POSITION CONCERNING THE THREE ISSUES**
26 **ADDRESSED ABOVE?**

1 A. If Staff can formally agree to the changes in depreciation expense, accumulated
2 depreciation and cash working capital as I have outlined above, the Company is
3 willing to stipulate to the remainder of Staff's proposed adjustments.

4 Q. IF BERMUDA AND STAFF WERE TO ENTER INTO A JOINT
5 STIPULATION, DO YOU BELIEVE THAT ANY OTHER ISSUES WOULD
6 REMAIN IN DISPUTE?

7 A. No.

8 Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

9 A. Yes, it does.

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2

3 IN THE MATTER OF THE
4 APPLICATION OF BERMUDA WATER
5 COMPANY, AN ARIZONA
6 CORPORATION, FOR A
7 DETERMINATION OF THE FAIR
8 VALUE OF ITS UTILITY PLANTS AND
 PROPERTY AND FOR INCREASES IN
 ITS WATER RATES AND CHARGES
 FOR UTILITY SERVICE BASED
 THEREON.

DOCKET NO: W-01812A-15-0421

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14 **REBUTTAL TESTIMONY OF**

15 **JASON A. MARTIN**

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1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS FOR THE RECORD.**

4 **A.** My name is Jason A. Martin and I am the Financial Planning & Analysis (FP&A)
5 Manager for Bermuda Water Company ("Bermuda" or "Company") and all other
6 affiliates of Utilities Inc. ("UI") in Arizona and Nevada. My business address is
7 4544 Highway 95, Bullhead City, Arizona 86426.

8 **Q. ARE YOU THE SAME JASON A. MARTIN WHO FILED DIRECT**
9 **TESTIMONY IN THIS DOCKET?**

10 **A.** Yes. My direct testimony addressed the Company's application on the issues of
11 rate base, income statement, rate design and cost of capital.

12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 **A.** The purpose of my rebuttal testimony is to provide a response on behalf of
14 Bermuda to the Direct Testimony filed by Commission Staff on July 26, 2016.

15 **Q. ARE YOU THE ONLY COMPANY WITNESS PROVIDING REBUTTAL**
16 **TESTIMONY AT THIS TIME?**

17 **A.** Yes. Based on the recommendations provided by Staff witnesses Crystal S.
18 Brown, Dorothy Hains, P.E., and Phan Tsan, the Company believes that it can
19 stipulate to a large majority of adjustments to the Company's rate application as
20 originally filed on December 29, 2015 and later corrected on January 7, 2016.

21 **Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.**

22 **A.** Bermuda is prepared to stipulate to the adjustments recommended by Staff witness
23 Crystal Brown to the Company's requested cost of capital, as well as several
24 adjustments to rate base, revenue requirement and rate design offered by Staff
25 witnesses Dorothy Hains and Phan Tsan. However, there are three specific
26

1 recommendations made by Staff in its Direct Testimony that Bermuda believes can
2 be addressed so that the Company can stipulate to Staff's proposed
3 recommendation in their entirety. These three issues include (i) Cash Working
4 Capital, (ii) Depreciation Expense, and (iii) Accumulated Depreciation.

5 **II. REBUTTAL TO DIRECT TESTIMONY OF PHAN TSAN.**

6 **A. Depreciation Expense**

7 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
8 **CONCERNING DEPRECIATION EXPENSE**

9 **A.** I believe that Ms. Tsan's CIAC amortization rate of 2.04% is the weighted average
10 depreciation rate of all of the Company's assets depreciation rates.

11 **Q. WHAT ISSUES ARISE WITH USING THIS METHODOLOGY FOR**
12 **DETERMINING A CIAC AMORTIZATION RATE?**

13 **A.** CIAC is primarily specific to plant assets, which generally have longer
14 depreciations rates. Over-estimating an appropriate CIAC amortization rate may
15 have adverse impacts on both the Company and its ratepayers. In the short-term, it
16 adversely impacts the Company by reducing its revenue requirement specific to the
17 recovery of depreciation and amortization expense. In the long-term, amortizing
18 CIAC at a faster rate than the underlying asset will cause an artificial inflation in
19 future rate base, and are likely to result in ratepayers paying a rate of return on
20 assets that were contributed. However, when the CIAC rate and depreciation rates
21 are consistent, the Company and its ratepayers are unharmed in both the short and
22 long term.

23 **Q. HAS THE COMPANY ADDRESSED THESE CONCERNS WITH STAFF?**

24 **A.** Yes. Based on discussions with Staff, Bermuda is willing to agree and stipulate to
25 a CIAC amortization rate of _____ in order to address the Company's
26 concerns.

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2 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
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7 the amount of \$55,984. Second, an adjustment specific to the order issued in
8 Docket W-01812A-10-0521 in the amount \$69,990. Third, a correction of the
9 accumulated balance of account 340.5 in the amount of \$8,714. Fourth, an
10 adjustment to account 304.1 – Office Structures & Improvements in the amount of
11 \$60,184.

12 **Q. WHY IS THIS PROBLEMATIC FOR THE COMPANY?**

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14 fourth adjustment was an inadvertent adjustment.

15 **Q. HAS THE COMPANY ADDRESSED THESE CONCERNS WITH STAFF?**

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17 an adjustment of accumulated depreciation in the amount of _____ in
18 order to address the Company's concerns. This adjustment would reduce Staff's
19 proposed adjustments to accumulated depreciation of \$194,872 by _____. The
20 final accumulated depreciation balance therefore will be _____.

21 **C. Cash Working Capital**

22 **Q. WHAT IS YOUR UNDERSTANDING OF STAFF'S RECOMMENDATION**
23 **CONCERNING CASH WORKING CAPITAL?**

24 **A.** It appears that Staff is recommending a disallowance of the entire \$194,390 in cash
25 working capital Bermuda is requesting in this proceeding because the Company did
26 not use a lead-lag study to support its request.

1 **Q. WHY DID BERMUDA FAIL TO PERFORM A LEAD-LAG STUDY?**

2 **A.** As I previously mentioned, I am the FP&A Manager for all of UI's affiliated
3 utilities in Arizona and Nevada. UI has operating utilities in several other
4 jurisdictions, and the most widely accepted method for determining cash working
5 capital is the 1/8 Formula Method, which is what I used in the Company's original
6 application. This is my first rate case in Arizona, and I was unable to identify any
7 rule or regulation that prohibits Bermuda from using the 1/8 Formula Method to
8 calculate cash working capital. I have not performed a lead-lag study, but
9 understand they are complex. Thus, I determined that hiring a consultant to
10 perform a lead-lag would be an unnecessary rate case expense in light of the rules
11 and regulations that do not seem to preclude the use of the 1/8 Formula Method.

12 **Q. HAS THE COMPANY ADDRESSED THIS ISSUE WITH STAFF?**

13 **A.** Yes. I was unaware that Staff requires a lead-lag study for Class A, B and C
14 utilities in order to establish cash working capital. Based on the procedural
15 schedule in this rate proceeding, I believe it is too late to perform such a study.
16 However, cash working capital is a basic component in rate making, and the
17 Company believes that the Commission should grant some reasonable amount of
18 cash working capital.

19 **Q. WHAT DO YOU BELIEVE IS A REASONABLE AMOUNT OF CASH**
20 **WORKING CAPITAL FOR THE COMPANY DESPITE THE ABSENCE**
21 **OF A LEAD-LAG STUDY?**

22 **A.** Based on discussions with Staff, Bermuda is willing to agree and stipulated to a
23 cash working capital allowance of _____.

24 **III. CONCLUSION**

25 **Q. WHAT IS BERMUDA'S POSITION CONCERNING THE THREE ISSUES**
26 **ADDRESSED ABOVE?**

1 A. If Staff can formally agree to the changes in depreciation expense, accumulated
2 depreciation and cash working capital as I have outlined above, the Company is
3 willing to stipulate to the remainder of Staff's proposed adjustments.

4 Q. IF BERMUDA AND STAFF WERE TO ENTER INTO A JOINT
5 STIPULATION, DO YOU BELIEVE THAT ANY OTHER ISSUES WOULD
6 REMAIN IN DISPUTE?

7 A. No.

8 Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

9 A. Yes, it does.

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EXHIBIT

BWC-5

ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

REJOINDER TESTIMONY OF
JASON A. MARTIN

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS FOR THE RECORD.**

4 **A.** My name is Jason A. Martin and I am the Regulatory and Business Development
5 Analyst for Bermuda Water Company ("Bermuda" or "Company") and all other
6 affiliates of Utilities Inc. ("UI") in Arizona and Nevada. My business address is
7 4544 Highway 95, Bullhead City, Arizona 86426.

8 **Q. ARE YOU THE SAME JASON A. MARTIN WHO FILED DIRECT AND**
9 **REBUTTAL TESTIMONY IN THIS DOCKET?**

10 **A.** Yes.

11 **Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?**

12 **A.** The purpose of my Rejoinder Testimony is to provide a response on behalf of
13 Bermuda to the Surrebuttal Testimony filed by Commission Staff on September 13,
14 2016.

15 **Q. CAN YOU CONFIRM THAT THE COMPANY HAS REACHED A FULL**
16 **AGREEMENT WITH COMMISSION STAFF CONCERNING THE ISSUES**
17 **ADDRESSED IN YOUR REBUTTAL TESTIMONY?**

18 **A.** Yes. As indicated by Ms. Tsan in her Surrebuttal Testimony, the Company has
19 reached an agreement with Commission Staff regarding all of the contested issues
20 in this case. Attached hereto as Exhibit 1 is a copy of the proposed rate schedules
21 that reflect the details of the stipulated agreement between Bermuda and Staff.

22 **Q. DO ANY OF THE SCHEDULES NEED FURTHER CONSIDERATION?**

23 **A.** Yes. Through discussions between the Company and Staff, it was determined that
24 Schedule H-3 should reflect the edits made, and agreed to by both parties, on
25 January 6th. The correct Schedule H-3 is also attached hereto as Exhibit 2.
26

1 Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY?

2 A. Yes.

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EXHIBIT 1

Bermuda Water Company
Exhibit 1: Proposed Rate Schedules
Test Year Ended: 8/31.2015

Exhibit: 1
Schedule H-3
Page 1

Witness: Jason Martin

Customer Classification	Meter Size	Rate Block	Base Charge			Volume Charge per 1,000 Gals.		
			Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
Residential	5/8"	First 3,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.25	\$ 1.25	\$ -
		3,001 to 9,000 gals.				\$ 2.00	\$ 2.43	\$ 0.43
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	1.5"	First 50,000 gals.	\$ 70.00	\$ 72.50	\$ 2.50	\$ 2.00	\$ 2.43	\$ 0.43
		Over 50,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	3"	First 165,000 gals.	\$ 224.00	\$ 232.00	\$ 8.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 165,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Commercial	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 2.00	\$ 2.43	\$ 0.43
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Construction	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
	1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
	2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
	3"		\$ 224.00	\$ 232.00	\$ 8.00	\$ 1.64	\$ 1.98	\$ 0.34
Irrigation	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
	1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
	2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
School	1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.77	\$ 2.12	\$ 0.35
	1.5"		\$ 70.00	\$ 72.50	\$ 2.50	\$ 1.77	\$ 2.12	\$ 0.35
	2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.77	\$ 2.12	\$ 0.35
	6"		\$ 700.00	\$ 700.00	\$ -	\$ 1.77	\$ 2.16	\$ 0.39
	8"		\$ 700.00	\$ 940.00	\$ 240.00	N/A	\$ 2.16	N/A
	10"		\$ 700.00	\$ 1,180.00	\$ 480.00	N/A	\$ 2.16	N/A
Wholesale	5/8"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
	1"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
	4"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
	6"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35

Stipulated Schedules

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2016 SEP 21 PM 4:30

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

NOTICE OF ERRATA

Bermuda Water Company, Inc., (“Bermuda”) hereby submits this Notice of Errata to the Rejoinder Testimony of Jason A. Martin in the above-captioned matter. Attached hereto as Exhibit 1 are the corrected Stipulated Schedules and Exhibit 2 the corrected Exhibit 2 – Revised H-3 Schedule.

RESPECTFULLY SUBMITTED this 21st day of September, 2016.

FENNEMORE CRAIG, P.C.

By



Patrick J. Black
2394 E. Camelback Road
Suite 600
Phoenix, Arizona 85016
Attorneys for Bermuda Water Company,
Inc.

1 ORIGINAL and thirteen (13) copies of the
2 foregoing were filed
3 this 21st day of September, 2016, to:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, AZ 85007


8 COPY the foregoing were emailed/mailed
9 this 21st day of September, 2016, to:

10 Dwight Nodes
11 Administrative Law Judge
12 Hearing Division
13 Arizona Corporation Commission
14 1200 W. Washington St.
15 Phoenix, AZ 85007

16 Janice Alward, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 W. Washington St.
20 Phoenix, AZ 85007

21 Robert Geake
22 Matthew Laudone
23 Legal Division
24 Arizona Corporation Commission
25 1200 W. Washington St.
26 Phoenix, AZ 85007

Thomas Broderick, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

By:  _____

12084148

EXHIBIT 1

Stipulated Schedules

Bermuda Water Company

Test Year Ended: 8/31.2015

Index of Standard Filing Schedules for Class B Water Utilities

Exhibit: Index

Page 1

<u>Schedule No.</u>	<u>Title</u>	<u>Witness</u>
Schedule A-1	Computation of Increase in Gross Revenue Requirements	Witness: Jason Martin
Schedule A-2	Summary of Results of Operations	Witness: Jason Martin
Schedule A-3	Summary of Capital Structure	Witness: Jason Martin
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service	Witness: Jason Martin
Schedule A-5	Summary Changes in Financial Position	Witness: Jason Martin
Schedule B-1	Summary of Original Cost and RCND Rate Base Elements	Witness: Jason Martin
Schedule B-2	Original Cost Rate Base Pro Forma Adjustments	Witness: Jason Martin
Schedule B-3	RCND Rate Base Pro Forma Adjustments	Witness: Jason Martin
Schedule B-4	RCND by Major Plant Accounts	Witness: Jason Martin
Schedule B-5	Computation of Working Capital	Witness: Jason Martin
Schedule C-1	Adjusted Test Year Income Statement	Witness: Jason Martin
Schedule C-2	Income Statement Pro Forma Adjustments	Witness: Jason Martin
Schedule C-3	Computation of Gross Revenue Conversion Factor	Witness: Jason Martin
Schedule D-1	Summary of Cost of Capital	Witness: Jason Martin
Schedule D-2	Cost of Long-Term and Short Term Debt	Witness: Jason Martin
Schedule D-3	Cost of Preferred Stock	Witness: Jason Martin
Schedule D-4	Cost of Common Equity	Witness: Jason Martin
Schedule E-1	Comparative Balance Sheet	Witness: Jason Martin
Schedule E-2	Comparative Income Statements	Witness: Jason Martin
Schedule E-3	Comparative Statement of Changes in Financial Position	Witness: Jason Martin
Schedule E-4	Statement of Change in Stockholders' Equity	Witness: Jason Martin
Schedule E-5	Detail of Utility Plant	Witness: Jason Martin
Schedule E-6	Comparative Departmental Operating Income Statements	Witness: Jason Martin
Schedule E-7	Operating Statistics	Witness: Jason Martin
Schedule E-8	Taxes Charged to Operations	Witness: Jason Martin
Schedule E-9	Notes to Financial Statements	Witness: Jason Martin
Schedule F-1	Projected Income Statements - Present and Proposed Rates	Witness: Jason Martin
Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates	Witness: Jason Martin
Schedule F-3	Projected Construction Requirements	Witness: Jason Martin
Schedule F-4	Assumptions Used in Developing Projections	Witness: Jason Martin
Schedule G-1	Cost of Service Summary - Present Rates	Witness: Jason Martin
Schedule G-2	Cost of Service Summary - Proposed Rates	Witness: Jason Martin
Schedule G-3	Rate Base Allocation to Classes of Service	Witness: Jason Martin
Schedule G-4	Expense Allocation to Classes of Service	Witness: Jason Martin
Schedule G-5	Distribution of Rate Base by Function	Witness: Jason Martin
Schedule G-6	Distribution of Expenses by Function	Witness: Jason Martin
Schedule G-7	Development of Allocation Factors	Witness: Jason Martin
Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates	Witness: Jason Martin
Schedule H-2	Analysis of Revenue by Detailed Class	Witness: Jason Martin
Schedule H-3	Changes in Representative Rate Schedules	Witness: Jason Martin
Schedule H-4	Typical Bill Analysis	Witness: Jason Martin
Schedule H-5	Bill Count	Witness: Jason Martin

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Increase in Gross Revenue Requirements

Exhibit:
Schedule A-1
Page 1

Witness: Jason Martin

Line

No.

<u>Computation of Increase in Gross Revenue Requirements</u>		
1	Adjusted Rate Base	\$ 9,761,369
2	Adjusted Operating Income	\$ 595,334
3	Current Rate of Return	6.10%
4	Required Operating Income	\$ 917,569
5	Required Rate of Return	9.40%
6	Operating Income Deficiency	\$ 322,234
7	Gross Revenue Conversion Factor	1.6271
8	Increase in Gross Revenue Requirements	\$ 524,294

Spread of Revenue Increase by Customer Classification

<u>Customer Classification</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
9 Residential	\$ 2,735,193	\$ 3,145,752	\$ 410,559	15.01%
10 Commercial	\$ 261,496	\$ 304,880	\$ 43,384	16.59%
11 Construction	\$ 47,054	\$ 52,495	\$ 5,440	11.56%
12 Irrigation	\$ 131,318	\$ 150,187	\$ 18,869	14.37%
13 School	\$ 27,530	\$ 35,683	\$ 8,153	29.62%
14 Wholesale	\$ 190,328	\$ 227,964	\$ 37,636	19.77%
15 Total Water Revenues	\$ 3,392,919	\$ 3,916,961	\$ 524,041	15.45%

Supporting Schedules : B-1, C-1, C-3, D-1, H-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Results of Operations

Exhibit:
Schedule A-2
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		8/31/2013	8/31/2014	Actual 8/31/2015	Adjusted 8/31/2015	Present Rates 8/31/2016	Proposed Rates 8/31/2016
1	Gross Revenues	3,555,189	3,509,902	3,491,672	3,499,142	3,499,142	4,023,435
2	Revenue Deductions & Operating Expenses	2,785,584	2,788,344	2,803,557	2,903,807	2,903,807	3,108,743
3	Operating Income	\$ 769,605	\$ 721,559	\$ 688,115	\$ 595,334	\$ 595,334	\$ 914,693
4	Other Income and Deductions	(1,927)	(3,990)	-	-	-	-
5	Interest Expense	268,151	330,914	314,051	-	-	-
6	Net Income	\$ 503,381	\$ 394,635	\$ 374,065	\$ 595,334	\$ 595,334	\$ 914,693
7	Earned Per Average Common Share	N/A	N/A	N/A	N/A	N/A	N/A
8	Dividends Per Common Share	N/A	N/A	N/A	N/A	N/A	N/A
9	Payout Ratio	N/A	N/A	N/A	N/A	N/A	N/A
10	Return on Average Invested Capital						
11	Return on Year End Capital	6.90%	6.53%	7.12%	6.10%	6.10%	9.40%
12	Return on Average Common Equity						
13	Return on Year End Common Equity	6.90%	6.53%	7.12%	6.10%	6.10%	9.40%
14	Times Bond Interest Earned - Before Income Taxes	-	-	-	-	-	-
15	Times Total Interest and Preferred Dividends Earned - After Income Taxes	-	-	-	-	-	-

Supporting Schedules : E-2, C-2, A-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Capital Structure

Exhibit:
Schedule A-3
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years At		Test Year At	Projected Year At
		8/31/2013	8/31/2014	8/31/2015	8/31/2016
1	Short-Term Debt	-	-	-	-
2	Long-Term Debt	-	-	-	-
3	Total Debt	\$ -	\$ -	\$ -	\$ -
4	Preferred Stock	-	-	-	-
5	Common Equity	11,883,784	12,278,419	12,652,484	12,652,484
6	Total Capital	<u>\$ 11,883,784</u>	<u>\$ 12,278,419</u>	<u>\$ 12,652,484</u>	<u>\$ 12,652,484</u>
<u>Capitalization Ratios:</u>					
7	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
8	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
9	Total Debt	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
10	Preferred Stock	0.00%	0.00%	0.00%	0.00%
11	Common Equity	100.00%	100.00%	100.00%	100.00%
12	Total Capital	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
13	Weighted Cost of Short-Term Debt			0.00%	0.00%
14	Weighted Cost of Long-Term Debt			0.00%	0.00%
15	Weighted Cost of Equity			7.12%	9.40%

Supporting Schedules : E-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Construction Expenditures and Gross Utility Plant in Service

Exhibit:
Schedule A-4
Page 1
Witness: Jason Martin

<u>Line No.</u>	<u>Description</u>		<u>Construction Expenditures</u>	<u>Net Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1	Prior Year Ended	8/31/2013	\$ 219,406	\$ 1,008,672	\$ 24,069,397
2	Prior Year Ended	8/31/2014	\$ 252,096	\$ 531,465	\$ 24,600,861
3	Test Year Ended	8/31/2015	\$ -	\$ (206,742)	\$ 24,394,120
4	Projected Year Ended	8/31/2016	\$ -	\$ (624,770)	\$ 23,769,350
5	Projected Year Ended	8/31/2017	\$ -	\$ (624,770)	\$ 23,144,580
6	Projected Year Ended	8/31/2018	\$ -	\$ (624,770)	\$ 22,519,809

Supporting Schedules : E-1

Bermuda Water Company

Test Year Ended: 8/31.2015

Summary Changes in Financial Position

Exhibit:

Schedule A-5

Page 1

Witness: Jason Martin

Line No.	Description	Prior Years Ended		Test Year	Projected Year	
		8/31/2013	8/31/2014	8/31/2015	Present Rates 8/31/2016	Proposed Rates 8/31/2016
<u>Sources of Funds:</u>						
1	Operations	1,384,126	1,273,751	1,298,822	1,358,634	1,677,994
2	Outside Financing	5,155,258	5,049,745	4,943,304	4,850,218	4,850,218
3	Total Funds Provided	\$ 6,539,384	\$ 6,323,495	\$ 6,242,126	\$ 6,208,852	\$ 6,528,212
<u>Application of Funds:</u>						
4	Construction Expenditures	-	-	-	-	-
5	Other	-	-	-	-	-
6	Total Funds Applied	\$ -	\$ -	\$ -	\$ -	\$ -

Supporting Schedules : E-3, C-2, B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Original Cost and RCND Rate Base Elements

Exhibit:
Schedule B-1
Page 1
Witness: Jason Martin

<u>Line No.</u>	<u>Description</u>	<u>Original Cost Rate Base - Adjusted at End of TY</u>
1	Gross Utility Plant in Service	23,496,663
2	Less: Accumulated Depreciation	7,897,783
3	Net Utility Plant in Service	<u>\$ 15,598,880</u>
	<u>Less:</u>	
4	Advances in Aid of Construction	2,564,835
5	Contributions in Aid of Construction	2,285,383
6	ADIT	1,029,168
7	Customer Deposits	105,421
	<u>Add:</u>	
7	Allowance for Working Capital	147,296
9	Total Rate Base	<u><u>\$ 9,761,369</u></u>

Supporting Schedules : B-2, B-5
Recap Schedules : A-1, A-2

Bermuda Water Company

Test Year Ended: 8/31.2015

Original Cost Rate Base Pro Forma Adjustments

Exhibit:

Schedule B-2

Page 1

Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Staff Adjusted</u> <u>End of Test Year</u>	<u>Adjustment 1 -</u> <u>Depreciation &</u> <u>Amortization</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Adjusted at End of Test</u> <u>Year</u>
1	Gross Utility Plant in Service	24,394,120	(897,457)	(897,457)	23,496,663
2	Less: Accumulated Depreciation	8,795,240	(897,457)	(897,457)	7,897,783
3	Net Utility Plant in Service	\$ 15,598,880	\$ -	\$ -	15,598,880
<u>Less:</u>					
4	Advances in Aid of Construction	3,254,486	(689,651)	(689,651)	2,564,835
5	Contributions in Aid of Construction	1,688,818	596,565	596,565	2,285,383
6	ADIT	1,029,168			1,029,168
7	Customer Deposits	105,421			105,421
<u>Add:</u>					
7	Allowance for Working Capital	147,296	-	-	147,296
8	Total Rate Base	\$ 9,668,282	\$ 93,086	\$ 93,086	9,761,369

Supporting Schedules : E-1, RB Adj. #1 - D&A
Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND Rate Base Pro Forma Adjustments

Exhibit:
Schedule B-3
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND by Major Plant Accounts

Exhibit:
Schedule B-4
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Working Capital

Exhibit:
Schedule B-5
Page 1
Witness: Jason Martin

Line
No.

1	Working Cash Requirement (1/8 Method)	147,296
2	Material and Supplies Inventories	-
3	Prepayments	-
4	Total Working capital Allowance	<u>147,296</u>

Supporting Schedules: C-2
Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Adjusted Test Year Income Statement

Exhibit:
Schedule C-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Test Year Book</u> <u>Results</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Stipulated</u> <u>Adjustments</u>	<u>Test Year Adjusted Results</u>
<u>Revenues</u>					
1	Water Revenues	3,385,449	7,470	-	3,392,919
2	Other Revenues	106,223	-	-	106,223
3	Total Revenues	\$ 3,491,672	\$ 7,470	\$ -	\$ 3,499,142
<u>Operating Expenses</u>					
4	ELEC PWR - WATER SYSTEM	276,869	-	-	276,869
5	CHEMICALS	21,149	-	-	21,149
6	METER READING	-	-	-	-
7	BAD DEBT EXPENSE	24,959	-	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	-	28,010
9	EMPLOYEE PENSION&BENEFITS	192,615	8,763	-	201,378
10	INSURANCE EXPENSE	81,720	-	-	81,720
11	IT DEPARTMENT	28,964	-	-	28,964
12	MISCELLANEOUS EXPENSE	15,388	-	-	15,388
13	OFFICE EXPENSE	8,159	-	-	8,159
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	-	48,325
15	OUTSIDE SERVICE EXPENSE	57,309	-	-	57,309
16	REGULATORY COMMISSION EXP	14,881	60,986	(20,805)	55,062
17	RENT EXPENSE	17,663	-	-	17,663
18	SALARIES & WAGES	505,818	107,147	-	612,966
19	TRAVEL EXPENSE	6,370	-	-	6,370
20	FLEET TRANSPORTATION EXPENSE	37,037	-	-	37,037
21	MAINTENANCE TESTING	11,609	-	6,390	17,999
22	MAINTENANCE-WATER PLANT	19,858	-	-	19,858
23	MAINTENANCE-WTR&SWR PLANT	6,479	-	-	6,479
24	DEPRECIATION EXP-WATER	865,245	41,167	(24,484)	881,928
25	DEPREC EXP-AUTO TRANS	33,312	(7,746)	27,358	52,924
26	DEPREC EXP-COMPUTER	124,185	(99,231)	-	24,954
27	AMORT EXP-CIA-WATER	(97,985)	(8,075)	(90,445)	(196,505)
28	PAYROLL TAXES	53,883	10,547	-	64,431
29	PROPERTY & OTHER TAXES	194,623	-	(43,396)	151,227
30	DEF INCOME TAX-FEDERAL	173,233	(173,233)	-	-
31	DEF INCOME TAXES-STATE	6,127	(6,127)	-	-
32	INCOME TAXES-FEDERAL	-	306,687	-	306,687
33	INCOME TAXES-STATE	47,751	4,747	-	52,499
34	Total Operating Expenses	\$ 2,803,557	\$ 245,633	\$ (145,382)	\$ 2,903,807
35	Utility Operating Income	\$ 688,115	\$ (238,163)	\$ 145,382	\$ 595,334
<u>Other Income & Deductions</u>					
36	MISCELLANEOUS INCOME	-	-	-	-
37	RENTAL / OTHER INCOME	-	-	-	-
38	INTEREST EXPENSE-INTERCO	329,537	(329,537)	-	-
39	SHORT TERM INTEREST EXP	2,736	(2,736)	-	-
40	INTEREST DURING CONSTRUCTION	(18,222)	18,222	-	-
41	Total Other Income and Deductions	\$ 314,051	\$ (314,051)	\$ -	\$ -
42	Net Income	\$ 374,065	\$ 75,888	\$ 145,382	\$ 595,334

Supporting Schedules : C-2
Recap Schedules : A-1, A-2

Line No.	Description	Test Year Book Results	Adjustment 1 - Salaries, Benefits, Payroll Taxes & Vehicles	Adjustment 2 - Depreciation & Amortization	Adjustment 3 - Revenue	Adjustment 4 - Interest Expense, IDC & Taxes	Adjustment 5 - Rate Case Expense	Total Pro Forma Adjustments	Test Year Adjusted Results	Revenue Increase	Proposed
1	Revenues										
1	Water Operating Revenues	3,385,449	-	-	7,470	-	-	7,470	3,392,919	\$24,294	3,917,213
2	Miscellaneous Operating Revenues	106,223	-	-	-	-	-	-	106,223	-	106,223
3	Total Revenues	\$ 3,491,672	\$ -	\$ -	\$ 7,470	\$ -	\$ -	\$ 7,470	\$ 3,499,142	\$ 524,294	\$ 4,023,435
4	Operating Expenses										
4	ELEC PWR - WATER SYSTEM	276,869	-	-	-	-	-	-	276,869	-	276,869
5	CHEMICALS	21,149	-	-	-	-	-	-	21,149	-	21,149
6	METER READING	-	-	-	-	-	-	-	-	-	-
7	BAD DEBT EXPENSE	24,959	-	-	-	-	-	-	24,959	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	-	-	-	-	-	28,010	-	28,010
9	EMPLOYEE PENSION & BENEFITS	192,615	8,763	-	-	-	-	8,763	201,378	-	201,378
10	INSURANCE EXPENSE	81,720	-	-	-	-	-	-	81,720	-	81,720
11	IT DEPARTMENT	28,964	-	-	-	-	-	-	28,964	-	28,964
12	MISCELLANEOUS EXPENSE	15,388	-	-	-	-	-	-	15,388	-	15,388
13	OFFICE EXPENSE	8,159	-	-	-	-	-	-	8,159	-	8,159
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	-	-	-	-	-	48,325	-	48,325
15	OUTSIDE SERVICE EXPENSE	57,309	-	-	-	-	-	-	57,309	-	57,309
16	REGULATORY COMMISSION EXP	14,881	-	-	-	-	-	-	14,881	-	14,881
17	RENT EXPENSE	17,663	-	-	-	-	60,986	60,986	17,663	-	17,663
18	SALARIES & WAGES	505,818	107,147	-	-	-	-	107,147	612,966	-	612,966
19	TRAVEL EXPENSE	6,370	-	-	-	-	-	-	6,370	-	6,370
20	FLEET TRANSPORTATION EXPENSE	37,037	-	-	-	-	-	-	37,037	-	37,037
21	MAINTENANCE TESTING	11,609	-	-	-	-	-	-	17,999	-	17,999
22	MAINTENANCE-WATER PLANT	19,858	-	-	-	-	-	6,390	19,858	-	19,858
23	MAINTENANCE WTR&SWR PLANT	6,479	-	-	-	-	-	-	6,479	-	6,479
24	DEPRECIATION EXP-WATER	865,245	-	41,167	-	-	-	41,167	881,928	-	881,928
25	DEPREC EXP-AUTO TRANS	33,312	-	(7,746)	-	-	-	(7,746)	52,924	-	52,924
26	DEPREC EXP-COMPUTER	124,185	-	(99,231)	-	-	-	(99,231)	24,954	-	24,954
27	AMORT EXP-CIA-WATER	(97,985)	-	(8,075)	-	-	-	(8,075)	(196,505)	-	(196,505)
28	PAYROLL TAXES	53,883	10,547	-	-	-	-	10,547	64,431	-	64,431
29	PROPERTY & OTHER TAXES	194,623	-	-	-	-	-	-	151,227	7,644	158,871
30	DEF INCOME TAX-FEDERAL	173,233	-	-	-	(173,233)	-	(173,233)	-	-	-
31	DEF INCOME TAXES-STATE	6,127	-	-	-	(6,127)	-	(6,127)	306,687	168,456	475,142
32	INCOME TAXES-FEDERAL	-	-	-	-	-	-	-	52,499	28,836	81,335
33	INCOME TAXES-STATE	47,751	-	-	-	4,747	-	4,747	2,903,807	204,935	3,108,743
34	Total Operating Expenses	\$ 2,803,557	\$ 126,458	\$ (73,885)	\$ -	\$ 132,074	\$ 60,986	\$ 245,633	\$ 2,903,807	\$ 204,935	\$ 3,108,743
35	Utility Operating Income	\$ 688,115	\$ (126,458)	\$ 73,885	\$ 7,470	\$ (132,074)	\$ (60,986)	\$ (238,163)	\$ 595,333	\$ 319,358	\$ 914,693
36	Other Income & Deductions										
37	MISCELLANEOUS INCOME	-	-	-	-	-	-	-	-	-	-
38	RENTAL/OTHER INCOME	329,537	-	-	-	-	-	-	-	-	-
39	INTEREST EXPENSE-INTERCO	2,736	-	-	-	(329,537)	-	(329,537)	-	-	-
40	SHORT TERM INTEREST EXP	(18,222)	-	-	-	(2,736)	-	(2,736)	-	-	-
41	INTEREST DURING CONSTRUCTION	314,051	-	-	-	18,222	-	18,222	-	-	-
42	Total Other Income and Deductions	\$ 374,065	\$ (126,458)	\$ 73,885	\$ 7,470	\$ (314,051)	\$ -	\$ (314,051)	\$ 595,333	\$ 319,358	\$ 914,693

Adjustment 3 - Revenue reflects the difference between booked operating revenues and calculated revenues based on recorded sales.

Adjustment 4 - Adjustments reflect recalculation of interest and taxes after all other adjustments.

Interest expense is calculated by multiplying rate base (A-1) by the weighted cost of debt (D-1)

Supporting Schedules: YE 8.31.15 TB; IS Adj. #1 - Labor Costs; IS Adj. #2 - D&A; IS Adj. #5

Recap Schedules: C-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Gross Revenue Conversion Factor

Exhibit:
Schedule C-3
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	
1	Operating Income Before Taxes	100.00%
2	State Income Taxes	<u>5.500%</u>
3	Federal Taxable Income	94.500%
4	Federal Income Taxes	34.00%
5	Effective Federal Income Taxes	32.130%
6	Combined Effective Income Taxes	<u>37.63%</u>
7	Operating Income Percentage	62.37%
8	Property Tax Factor	0.909%
9	Gross Revenue Conversion Factor	1.6271
Recap Schedules : A-1		

Bermuda Water Company
Test Year Ended: 8/31/2015
Summary of Cost of Capital

Exhibit:
Schedule D-1
Page 1

Witness: Jason Martin

Line No.	Description	End of Test Year			End of Projected Year		
		Dollar Amount	Percent of Total	Cost Rate	Dollar Amount	Percent of Total	Cost Rate
1	Short-Term Debt	\$ -	0.00%	0.00%	\$ -	0.00%	0.00%
2	Long-Term Debt	\$ -	0.00%	0.00%	\$ -	0.00%	0.00%
3	Stockholder's Equity	\$ 12,652,484	100.00%	7.12%	\$ 12,652,484	100.00%	9.40%
4	Total	<u>\$ 12,652,484</u>	<u>100.00%</u>		<u>\$ 12,652,484</u>	<u>100.00%</u>	<u>9.40%</u>

Supporting Schedules : D-4
Recap Schedules : A-1, A-2, A-3

Line No.	Description	End of Test Year			End of Projected Year		
		Amount Outstanding	Annual Cost	Interest Rate	Amount Outstanding	Annual Cost	Interest Rate
1	Short-Term Debt	\$ -	-	0.00%	\$ -	-	0.00%
2	Long-Term Debt	\$ -	-	0.00%	\$ -	-	0.00%
3	Total	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%

Supporting Schedules : D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Preferred Stock

Exhibit:
Schedule D-3
Page 1
Witness: Jason Martin

Line No.	Description	End of Test Year		End of Projected Year	
		Shares Outstanding	Amount	Shares Outstanding	Amount

1 Not Applicable. No Preferred Stock Issued or Outstanding.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Common Equity

Exhibit:
Schedule D-4
Page 1

Witness: Jason Martin

Line
No.

- | | | |
|---|--|-------|
| 1 | The Company's rate application reflects a 10.0% return on common equity. See the direct testimony of Jason Martin. | |
| 2 | Return on Common Equity = 10.0% | |
| 3 | | 9.40% |

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Balance Sheet

Exhibit:
Schedule E-1
Page 1
Witness: Jason Martin

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
ASSETS				
<u>Property, Plant & Equipment</u>				
1	Utility Plant	24,394,120	24,600,861	24,069,397
2	Construction Work in Progress	-	252,096	219,406
3	Utility Plant Acquisition Adjustment	-	-	-
4	Less: Accumulated Depreciation	8,795,240	8,508,438	7,753,051
5	Net Plant	\$ 15,598,880	\$ 16,344,519	\$ 16,535,752
<u>Current Assets</u>				
6	CASH	1,000	7,092	9,711
7	ACCOUNTS RECEIVABLE	1,714,278	939,484	322,545
8	INVENTORY TOTAL	772	393	998
9	OTHER CURRENT ASSETS	3,155	18,163	16,582
10	Total Current Assets	\$ 1,719,204	\$ 965,133	\$ 349,836
11	DEF CHGS & OTHER ASSETS	\$ 12,584	\$ 21,852	\$ 61,082
12	Total Assets	\$ 17,330,668	\$ 17,331,504	\$ 16,946,670
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>				
<u>Equity</u>				
13	COMMON STOCK	27,200	27,200	27,200
14	PAID IN CAPITAL	230,776	230,776	230,776
15	MISC PAID IN CAPITAL	4,342,279	4,342,279	4,342,279
16	TREASURY STOCK	(340,000)	(340,000)	(340,000)
17	RETAINED EARNINGS	8,392,229	8,018,165	7,623,529
18	Total Equity	\$ 12,652,484	\$ 12,278,419	\$ 11,883,784
<u>Long-Term Liabilities</u>				
19	ADVANCES IN AID OF CONSTRUCTION	3,254,486	3,262,978	3,270,542
20	CONTRIBUTIONS IN AID OF CONSTRUCTION	1,688,818	1,786,767	1,884,716
21	DEFERRED INCOME TAXES	1,029,168	848,975	609,406
22	DEFERRED INVESTMENT TAX CREDITS	4,334	0	0
23	Total Long-Term Liabilities	\$ 5,976,807	\$ 5,898,720	\$ 5,764,664
<u>Current Liabilities</u>				
24	ACCOUNTS PAYABLE	(1,113,352)	(1,152,224)	(1,113,327)
25	CUSTOMER DEPOSITS	105,421	111,696	133,110
26	ACCRUED TAXES	216,202	177,669	257,478
27	ACCRUED INTEREST	4,347	4,282	8,019
28	PAYABLE TO DEVELOPERS	12,943	12,943	12,943
29	Total Current Liabilities	\$ (774,439)	\$ (845,634)	\$ (701,777)
30	Total Liabilities & Common Equity	\$ 17,854,851	\$ 17,331,504	\$ 16,946,671

Supporting Schedules : E-5, YE 8.31.13 TB, YE 8.31.14 TB, YE 8.31.15 TB
Recap Schedules : A-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Income Statements

Exhibit:
Schedule E-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		8/31/2015	8/31/2014	8/31/2013
1	Operating Revenues	\$ 3,491,672	\$ 3,509,902	\$ 3,555,189
2	Operation and Maintenance Expense	1,403,182	1,407,012	1,432,738
3	Depreciation & Amortization	924,757	879,115	880,745
4	Other Taxes	248,506	198,448	191,354
5	Income Taxes	227,111	303,769	280,746
6	Total Operating Expense	\$ 2,803,557	\$ 2,788,344	\$ 2,785,584
7	Operating Income	\$ 688,115	\$ 721,559	\$ 769,605
8	Other Income	-	(3,990)	(1,927)
9	Interest	332,272	349,129	391,498
10	AFUDC	(18,222)	(18,216)	(123,347)
11	Net Income	\$ 374,065	\$ 394,635	\$ 503,381
12	Preferred Dividends	\$ -	\$ -	\$ -
13	Earnings Available for Common Stock	N/A	N/A	N/A
14	Earnings Per Share of Average Common Stock Outstanding	N/A	N/A	N/A

Supporting Schedules : C-1, YE 8.31.14 TB, YE 8.31.13 TB

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Statement of Changes in Financial Position

Exhibit:
Schedule E-3
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		9/1/2014-8/31/2015	9/1/2013-8/31/2014	9/1/2012-8/31/2013
<u>Source of Funds:</u>				
<u>From Operations</u>				
1	Net Income	374,065	394,635	503,381
2	Depreciation and Amortization	909,891	843,552	845,200
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	<u>\$ 1,298,822</u>	<u>\$ 1,273,751</u>	<u>\$ 1,384,126</u>
<u>From Financing</u>				
5	Advances in Aid of Construction	3,254,486	3,262,978	3,270,542
6	Contributions in Aid of Construction	1,688,818	1,786,767	1,884,716
7	Other	-	-	-
8	Total From Financing	<u>\$ 4,943,304</u>	<u>\$ 5,049,745</u>	<u>\$ 5,155,258</u>
<u>Application of Funds:</u>				
9	Construction Expenditures	-	-	-
10	Other	-	-	-
11	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules : E-1, E-2, F-3
Recap Schedules : A-5

Bermuda Water Company
Test Year Ended: 8/31/2015
Statement of Change in Stockholders' Equity

Exhibit:
Schedule E-4
Page 1
Witness: Jason Martin

UTILITIES, INC. CAPITAL STRUCTURE										
Line No.		Description	Preferred			Common			Additional Paid-In Capital	Retained Earnings
			Shares	Amount	Shares	Amount	Amount			
1	Balance, August 31, 2012		-	\$ -	-	1,000	\$ -	100	\$ 4,143,350	\$ 6,797,046
2	Net Earnings		-	\$ -	-	-	\$ -	-	\$ 429,704	\$ 329,842
3	Cash Dividends - Preferred		-	\$ -	-	-	\$ -	-	\$ -	-
4	Cash Dividends - Common		-	\$ -	-	-	\$ -	-	\$ -	-
5	Preferred Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
6	Common Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
7	Balance, August 31, 2013		-	\$ -	-	1,000	\$ -	100	\$ 4,573,054	\$ 7,126,888
8	Net Earnings		-	\$ -	-	-	\$ -	-	\$ -	\$ 568,174
9	Cash Dividends - Preferred		-	\$ -	-	-	\$ -	-	\$ -	-
10	Cash Dividends - Common		-	\$ -	-	-	\$ -	-	\$ -	-
11	Preferred Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
12	Common Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
13	Balance, August 31, 2014		-	\$ -	-	1,000	\$ -	100	\$ 4,573,054	\$ 7,695,063
14	Net Earnings		-	\$ -	-	-	\$ -	-	\$ -	\$ 367,914
15	Cash Dividends - Preferred		-	\$ -	-	-	\$ -	-	\$ -	-
16	Cash Dividends - Common		-	\$ -	-	-	\$ -	-	\$ -	-
17	Preferred Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
18	Common Stock issued		-	\$ -	-	-	\$ -	-	\$ -	-
19	Balance, August 31, 2015		-	\$ -	-	1,000	\$ -	100	\$ 4,573,054	\$ 8,062,977

Note: Parent company made a \$1,000,000 capital contribution
Note: E-4 shows capital structure of Utilities, Inc., however the capital structure of Bermuda has been utilized for this filing.

702 703

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Departmental Operating Income Statements

Exhibit:
Schedule E-6
Page 1
Witness: Jason Martin

Line
No.

1 Bermuda Water Company only contains one operating system.

Bermuda Water Company
Test Year Ended: 8/31.2015
Operating Statistics

Exhibit:
Schedule E-7
Page 1

Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		8/31/2015	8/31/2014	8/31/2013
	<u>Water Sold</u>			
1	Residential	718,466,000	737,563,000	760,758,000
2	Commercial	62,517,000	52,928,000	50,970,000
3	Construction	13,360,000	15,235,000	19,245,000
4	Irrigation	50,118,000	54,877,000	59,332,000
5	School	5,540,000	6,336,000	6,612,000
6	Wholesale	107,530,000	110,080,000	120,698,000
7	Total Gallons Sold	957,531,000	977,019,000	1,017,615,000
	<u>Average No. Customers</u>			
8	Residential	7,465	7,377	7,308
9	Commercial	269	258	248
10	Construction	13	12	12
11	Irrigation	105	109	110
12	School	9	9	9
13	Wholesale	9	9	9
14	Avg. Annual Gallons Per Residential Customer	96,240	99,984	104,105
15	Avg. Annual Revenue Per Residential Customer	\$ 366.39	\$ 376.58	\$ 388.00
16	Pumping Cost Per 1,000 Gallons			

Supporting Schedules : H-5, Test Tr Consum Ending 8-31-15, YE 8-31-14 Cons, YE 8-31-13 Cons

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
<u>Federal Taxes</u>				
1	INCOME TAXES-FEDERAL	-	-	215,862
2	FICA EXPENSE	47,398	41,334	36,178
3	DEF INCOME TAX-FEDERAL	173,233	242,990	53,170
4	FEDERAL UNEMPLOYMENT TAX	527	514	1,239
5	Total Federal Taxes	\$ 221,158	\$ 284,838	\$ 306,450
<u>State Taxes</u>				
6	INCOME TAXES-STATE	47,751	64,186	-
7	DEF INCOME TAXES-STATE	6,127	(3,408)	11,714
8	STATE UNEMPLOYMENT TAX	5,958	5,853	4,059
9	Total State Taxes	\$ 59,836	\$ 66,632	\$ 15,772
<u>Other Taxes</u>				
10	FRANCHISE TAX	2,962	5,046	7,426
11	PERSONAL PROPERTY/ICT TAX	147,733	140,312	139,909
12	PROPERTY/OTHER GENERAL TAX	6,769	(4,259)	(9,744)
13	REAL ESTATE TAX	37,159	2,441	2,499
14	UTILITY/COMMISSION TAX	6,150	7,206	9,788
15	Total Local Taxes	\$ 200,773	\$ 150,747	\$ 149,878
16	Total Taxes	\$ 481,768	\$ 502,217	\$ 472,100

Supporting Schedules : YE 8.31.15 TB, YE 8.31.14 TB, YE 8.31.13 TB

Bermuda Water Company
Test Year Ended: 8/31.2015
Notes to Financial Statements

Exhibit:
Schedule E-9
Page 1
Witness: Jason Martin

Line
No.

- 1 The accrual accounting method is used.
- 2 Depreciation has been adjusted in this filing to reflect the Commision's approved rates.
- 3 Federal Income taxes are part of consolidated return of the parent company.
- 4 IDC is charged at a rate of 8.10%.

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Income Statements - Present and Proposed Rates

Exhibit:
Schedule F-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	Test Year Ended	Projected Year Ended	
	8/31/2015	8/31/2016 - Present Rates	8/31/2016 - Proposed Rates
1 Operating Revenues	\$ 3,491,672	\$ 3,499,142	\$ 4,023,435
2 Operation and Maintenance Expense	1,403,182	1,565,664	1,565,664
3 Depreciation & Amortization	924,757	763,301	763,301
4 Other Taxes	248,506	215,657	223,301
5 Income Taxes	227,111	359,185	556,477
6 Total Operating Expense	\$ 2,803,557	\$ 2,903,807	\$ 3,108,743
7 Operating Income	\$ 688,115	\$ 595,334	\$ 914,693
8 Other Income	-	-	-
9 Interest	332,272	-	-
10 AFUDC	(18,222)	-	-
11 Net Income	\$ 374,065	\$ 595,334	\$ 914,693
12 Earnings Per Share of Average Common Stock Outstanding			
13 Return on Common Equity			9.40%

Supporting Schedules : E-2, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Changes in Financial Position - Present and Proposed Rates

Exhibit:
Schedule F-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Projected Year Ended	
		8/31/2015	8/31/2016 at Present Rates	8/31/2016 at Proposed Rates

Source of Funds:

From Operations

1	Net Income	374,065	595,333	914,693
2	Depreciation and Amortization	909,891	763,301	763,301
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	<u>\$ 1,298,822</u>	<u>\$ 1,394,197</u>	<u>\$ 1,713,539</u>

From Financing

5	Advances in Aid of Construction	3,254,486	2,564,835	2,564,835
6	Contributions in Aid of Construction	1,688,818	2,285,383	2,285,383
7	Total From Financing	<u>\$ 4,943,304</u>	<u>\$ 4,850,218</u>	<u>\$ 4,850,218</u>

Application of Funds:

8	Construction Expenditures	-	-	-
9	Other	-	-	-
10	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Details of Financing:

11	Changes in Short-Term Debt	-	-	-
12	Changes in Long-Term Debt	-	-	-
13	Changes in Preferred Stock	-	-	-
14	Changes in Common Equity	-	-	-

Supporting Schedules : E-3, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Construction Requirements

Exhibit:
Schedule F-3
Page 1
Witness: Jason Martin

Line No.	Property Classification	Test Year Ended	Projected Year Ended		
		8/31/2015	8/31/2016	8/31/2017	8/31/2018
<u>From Operations</u>					
1	Production Plant	-	-	-	-
2	Transmission Plant	-	-	-	-
3	Miscellaneous Plant	-	-	-	-
4	Total Plant	\$ -	\$ -	\$ -	\$ -

Bermuda Water Company
Test Year Ended: 8/31.2015
Assumptions Used in Developing Projections

Exhibit:
Schedule F-4
Page 1
Witness: Jason Martin

Line
No.

- 1 Customer Growth
- 2 None
- 3 Growth in Consumption and Customer Demand
- 4 None
- 5 Changes in Expenses
- 6 See Schedule C-1 and C-2.
- 7 Construction requirements, including production reserves and changes in plant capacity
- 8 None
- 9 Capital Structure Changes
- 10 None
- 11 Financing Costs, Interest Rates
- 12 See Schedule D-1.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Service Analysis

Exhibit:
Schedules G-1 thru G-7
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not prepare a cost of service study.

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Revenues by Customer Classification

Line No.	Customer Classification	Test Year Revenues				Proposed Increase	
		Present Rates		Proposed Rates		Amount	Percentage
1	Residential	\$	2,735,193	\$	3,145,752	\$ 410,559	
2	Commercial	\$	261,496	\$	304,880	\$ 43,384	15.01%
3	Construction	\$	47,054	\$	52,495	\$ 5,440	16.59%
4	Irrigation	\$	131,318	\$	150,187	\$ 18,869	11.56%
5	School	\$	27,530	\$	35,683	\$ 8,153	14.37%
6	Wholesale	\$	190,328	\$	227,964	\$ 37,636	29.62%
7	Total Revenues	\$	3,392,919	\$	3,916,961	\$ 524,041	19.77%
							15.45%

Supporting Schedules : H-2
Recap Schedules : A-1

Exhibit:
Schedule H-1
Page 1
Witness: Jason Martin

Bermuda Water Company

Test Year Ended: 8/31/2015

Analysis of Revenue by Detailed Class

Exhibit:

Schedule H-2

Page 1

Witness: Jason Martin

Line No.	Customer Classification	Meter Size	Average Number of Customers	Average Consumption	Test Year Revenues		Proposed Increase	
					Present Rates	Proposed Rates	Amount	Percentage
1	Residential	5/8"	7,352	7,767	\$ 2,572,583	\$ 2,962,392	\$ 389,809	15.15%
2		1"	75	15,455	\$ 64,457	\$ 72,910	\$ 8,453	13.11%
3		1.5"	2	6,583	\$ 1,996	\$ 2,124	\$ 128	6.41%
4		2"	35	43,817	\$ 91,683	\$ 103,345	\$ 11,662	12.72%
5		3"	1	53,167	\$ 4,474	\$ 4,980	\$ 507	11.33%
6		6"	-	#DIV/0!	\$ -	\$ -	\$ -	#DIV/0!
7	Total Residential				\$ 2,735,193	\$ 3,145,752	\$ 410,559	15.01%
8	Commercial	5/8"	180	7,821	\$ 71,929	\$ 85,140	\$ 13,211	18.37%
9		1"	57	19,302	\$ 57,294	\$ 65,718	\$ 8,424	14.70%
10		2"	33	82,510	\$ 132,273	\$ 154,022	\$ 21,750	16.44%
11	Total Commercial				\$ 261,496	\$ 304,880	\$ 43,384	16.59%
12	Construction	5/8"	-	#DIV/0!	\$ -	\$ -	\$ -	#DIV/0!
13		1"	2	14,917	\$ 1,427	\$ 1,579	\$ 152	10.63%
14		2"	3	20,162	\$ 5,367	\$ 5,769	\$ 402	7.48%
15		3"	8	136,178	\$ 40,260	\$ 45,147	\$ 4,887	12.14%
16	Total Construction				\$ 47,054	\$ 52,495	\$ 5,440	11.56%
17	Irrigation	5/8"	6	17,597	\$ 3,014	\$ 3,553	\$ 539	17.88%
18		1"	92	26,748	\$ 87,385	\$ 98,846	\$ 11,462	13.12%
19		2"	7	228,738	\$ 40,919	\$ 47,788	\$ 6,869	16.79%
20	Total Irrigation				\$ 131,318	\$ 150,187	\$ 18,869	14.37%
21	School	1"	1	16,333	\$ 767	\$ 851	\$ 84	10.90%
22		1.5"	1	39,417	\$ 1,677	\$ 1,873	\$ 196	11.66%
23		2"	6	25,528	\$ 11,317	\$ 12,249	\$ 931	8.23%
24		6"	-	-	\$ -	\$ -	\$ -	-
25		8"	-	-	\$ -	\$ -	\$ -	-
26		10"	1	252,750	\$ 13,768	\$ 20,711	\$ 6,943	50.43%
27	Total School				\$ 27,530	\$ 35,683	\$ 8,153	29.62%
28	Wholesale	5/8"	1	1,050,833	\$ 22,320	\$ 26,733	\$ 4,414	19.77%
29		1"	3	26,139	\$ 1,666	\$ 1,995	\$ 329	19.77%
30		4"	1	45,000	\$ 956	\$ 1,145	\$ 189	19.77%
31		6"	4	1,946,646	\$ 165,387	\$ 198,091	\$ 32,704	19.77%
32	Total Wholesale				\$ 190,328	\$ 227,964	\$ 37,636	19.77%
33	Total Company				\$ 3,392,919	\$ 3,916,961	\$ 524,041	15.45%

Supporting Schedules: H-5, Test Yr Consum Ending 8-31-15

Recap Schedules: H-1

Bermuda Water Company

Test Year Ended: 8/31/2015

Changes in Representative Rate Schedules

Exhibit:
Schedule H-3
Page 1
Witness: Jason
Martin

Line No.	Customer Classification	Meter Size	Rate Block	Base Charge			Volume Charge per 1,000 Gals.		
				Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
1	Residential	5/8"	First 3,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.25	\$ 1.25	\$ -
2			3,001 to 9,000 gals.				\$ 2.00	\$ 2.43	\$ 0.43
3			Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
4		1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
5			Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
6		1.5"	First 50,000 gals.	\$ 70.00	\$ 72.50	\$ 2.50	\$ 2.00	\$ 2.43	\$ 0.43
7			Over 50,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
8		2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
9			Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
10		3"	First 165,000 gals.	\$ 224.00	\$ 232.00	\$ 8.00	\$ 2.00	\$ 2.43	\$ 0.43
11			Over 165,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
12		6"	First 500,000 gals.	\$ 700.00	\$ 725.00	\$ 25.00	\$ 2.00	\$ 2.43	\$ 0.43
13			Over 500,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
14	Commercial	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 2.00	\$ 2.43	\$ 0.43
15			Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
16		1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
17			Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
18		2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
19			Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
20	Construction	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
21		1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
22		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
23		3"		\$ 224.00	\$ 232.00	\$ 8.00	\$ 1.64	\$ 1.98	\$ 0.34
24	Irrigation	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
25		1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
26		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
27	School	1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.77	\$ 2.12	\$ 0.35
28		1.5"		\$ 70.00	\$ 72.50	\$ 2.50	\$ 1.77	\$ 2.12	\$ 0.35
29		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.77	\$ 2.12	\$ 0.35
30		6"		\$ 700.00	\$ 700.00	\$ -	\$ 1.77	\$ 2.16	\$ 0.39
31		8"		\$ 700.00	\$ 940.00	\$ 240.00	N/A	\$ 2.16	N/A
32		10"		\$ 700.00	\$ 1,180.00	\$ 480.00	N/A	\$ 2.16	N/A
33	Wholesale	5/8"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
34		1"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
35		4"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
36		6"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35

Bermuda Water Company
Exhibit 2 - Revised H-3 Schedule
Changes in Representative Rate Schedules

Exhibit: 2
Schedule H-3
Page 3

Witness: Jason Martin

Line No.	Customer Classification	Current Charge	Proposed Charge	Notes
<u>Miscellaneous Charges</u>				
1	Compromised Meter Lock	\$ 15.00	\$ 15.00	
2	Deferred Payment Interest	1.50%	1.50%	A
3	Deposit	-	\$ -	B
4	Deposit (Interest)	-	\$ -	B
5	Establishment Fee	\$ 35.00	\$ 35.00	
6	Late Payment	1.50%	1.50% or \$5.00	C
7	Meter Test Performed by Company	\$ 20.00	\$ 20.00	D
8	Meter Test Performed by Outside Vendor	\$ 25.00	\$ 25.00	D
9	NSF Check (Returned Check)	\$ 15.00	\$ 25.00	
10	Reconnection (Delinquent)	\$ 50.00	\$ 50.00	
11	After Hours Service Charge	\$ 30.00	\$ 30.00	
12	Meter Re-Read Charge	\$ 5.00	\$ 10.00	
<u>Meter Installation Charges</u>				
	5/8" x 3/4"	\$ 60.00	\$ 140.00	E
	1"	\$ 85.00	\$ 290.00	E
	1.5"	n/a	\$ 500.00	
	2"	\$ 317.00	\$ 900.00	E
	3" or larger	\$ -	\$ -	E & F
<u>Service Line Installation Charges</u>				
	5/8" x 3/4"	\$ 125.00	\$ 500.00	E
	1"	\$ 180.00	\$ 560.00	E
	1.5"	n/a	\$ 560.00	
	2"	\$ 520.00	\$ 900.00	E
	3" or larger	-	\$ -	E & F

Notes

- A 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement
- B Pursuant to A.A.C.R. 14-2-403(B).
- C If payment not received within 15 days from date bill is rendered 1.5% or \$5, whichever is greater
- D Only if correct
- E Refunds of the installation charges shall be pursuant to A.A.C.R. 14-3-405 except that the refunds will occur in the billing month of September
- F Actual costs of materials and labor

EXHIBIT 2

Bermuda Water Company
Exhibit 2 - Revised H-3 Schedule
Changes in Representative Rate Schedules

Exhibit: 2
Schedule H-3
Page 3

Witness: Jason Martin

Line No.	Customer Classification	Current Charge	Proposed Charge	Notes
<u>Miscellaneous Charges</u>				
1	Compromised Meter Lock	\$ 15.00	\$ 15.00	
2	Deferred Payment Interest	1.50%	1.50%	A
3	Deposit	-	\$ -	B
4	Deposit (Interest)	-	\$ -	B
5	Establishment Fee	\$ 35.00	\$ 35.00	
6	Late Payment	1.50%	1.50% or \$5.00	C
7	Meter Test Performed by Company	\$ 20.00	\$ 20.00	D
8	Meter Test Performed by Outside Vendor	\$ 25.00	\$ 25.00	D
9	NSF Check (Returned Check)	\$ 15.00	\$ 25.00	
10	Reconnection (Delinquent)	\$ 50.00	\$ 50.00	
11	After Hours Service Charge	\$ 30.00	\$ 30.00	
12	Meter Re-Read Charge	\$ 5.00	\$ 10.00	
<u>Meter Installation Charges</u>				
	5/8" x 3/4"	\$ 60.00	\$ 140.00	E
	1"	\$ 85.00	\$ 290.00	E
	1.5"	n/a	\$ 500.00	
	2"	\$ 317.00	\$ 900.00	E
	3" or larger	\$ -	\$ -	E & F
<u>Service Line Installation Charges</u>				
	5/8" x 3/4"	\$ 125.00	\$ 500.00	E
	1"	\$ 180.00	\$ 560.00	E
	1.5"	n/a	\$ 560.00	
	2"	\$ 520.00	\$ 900.00	E
	3" or larger	-	\$ -	E & F

Notes

- A 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement
- B Pursuant to A.A.C.R. 14-2-403(B).
- C If payment not received within 15 days from date bill is rendered 1.5% or \$5, whichever is greater
- D Only if correct
- E Refunds of the installation charges shall be pursuant to A.A.C.R. 14-3-405 except that the refunds will occur in the billing month of September
- F Actual costs of materials and labor

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

**REJOINDER TESTIMONY OF
JASON A. MARTIN**

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS FOR THE RECORD.**

4 **A.** My name is Jason A. Martin and I am the Regulatory and Business Development
5 Analyst for Bermuda Water Company ("Bermuda" or "Company") and all other
6 affiliates of Utilities Inc. ("UI") in Arizona and Nevada. My business address is
7 4544 Highway 95, Bullhead City, Arizona 86426.

8 **Q. ARE YOU THE SAME JASON A. MARTIN WHO FILED DIRECT AND**
9 **REBUTTAL TESTIMONY IN THIS DOCKET?**

10 **A.** Yes.

11 **Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?**

12 **A.** The purpose of my Rejoinder Testimony is to provide a response on behalf of
13 Bermuda to the Surrebuttal Testimony filed by Commission Staff on September 13,
14 2016.

15 **Q. CAN YOU CONFIRM THAT THE COMPANY HAS REACHED A FULL**
16 **AGREEMENT WITH COMMISSION STAFF CONCERNING THE ISSUES**
17 **ADDRESSED IN YOUR REBUTTAL TESTIMONY?**

18 **A.** Yes. As indicated by Ms. Tsan in her Surrebuttal Testimony, the Company has
19 reached an agreement with Commission Staff regarding all of the contested issues
20 in this case. Attached hereto as Exhibit 1 is a copy of the proposed rate schedules
21 that reflect the details of the stipulated agreement between Bermuda and Staff.

22 **Q. DO ANY OF THE SCHEDULES NEED FURTHER CONSIDERATION?**

23 **A.** Yes. Through discussions between the Company and Staff, it was determined that
24 Schedule H-3 should reflect the edits made, and agreed to by both parties, on
25 January 6th. The correct Schedule H-3 is also attached hereto as Exhibit 2.
26

1 Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY?

2 A. Yes.

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EXHIBIT 1

Witness: Jason Martin

Customer Classification	Meter Size	Rate Block	Base Charge			Volume Charge per 1,000 Gals.		
			Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
Residential	5/8"	First 3,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.25	\$ 1.25	\$ -
		3,001 to 9,000 gals.				\$ 2.00	\$ 2.43	\$ 0.43
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	1.5"	First 50,000 gals.	\$ 70.00	\$ 72.50	\$ 2.50	\$ 2.00	\$ 2.43	\$ 0.43
		Over 50,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	3"	First 165,000 gals.	\$ 224.00	\$ 232.00	\$ 8.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 165,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Commercial	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 2.00	\$ 2.43	\$ 0.43
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
	1"	Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
	2"	Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Construction	1"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
	1"	Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
	2"	Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Irrigation	1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
	1"	Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
	2"	Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
School	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
	1"	Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
	2"	Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
	5/8"	Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
		Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
Wholesale	1"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
		Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
	1"	Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
	2"	Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
		First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
		Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73

Stipulated Schedules

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE
APPLICATION OF BERMUDA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-01812A-15-0421

NOTICE OF ERRATA

Bermuda Water Company, Inc., (“Bermuda”) hereby submits this Notice of Errata to the Rejoinder Testimony of Jason A. Martin in the above-captioned matter. Attached hereto as Exhibit 1 are the corrected Stipulated Schedules and Exhibit 2 the corrected Exhibit 2 – Revised H-3 Schedule.

RESPECTFULLY SUBMITTED this 21st day of September, 2016.

FENNEMORE CRAIG, P.C.

By



Patrick J. Black
2394 E. Camelback Road
Suite 600
Phoenix, Arizona 85016
Attorneys for Bermuda Water Company,
Inc.

1 ORIGINAL and thirteen (13) copies of the
2 foregoing were filed
3 this 21st day of September, 2016, to:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, AZ 85007


8 COPY the foregoing were emailed/mailed
9 this 21st day of September, 2016, to:

10 Dwight Nodes
11 Administrative Law Judge
12 Hearing Division
13 Arizona Corporation Commission
14 1200 W. Washington St.
15 Phoenix, AZ 85007

16 Janice Alward, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 W. Washington St.
20 Phoenix, AZ 85007

21 Robert Geake
22 Matthew Laudone
23 Legal Division
24 Arizona Corporation Commission
25 1200 W. Washington St.
26 Phoenix, AZ 85007

Thomas Broderick, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

By:  _____

12084148

EXHIBIT 1

Stipulated Schedules

Bermuda Water Company
Test Year Ended: 8/31.2015
Index of Standard Filing Schedules for Class B Water Utilities

Exhibit: Index
Page 1

<u>Schedule No.</u>	<u>Title</u>	<u>Witness</u>
Schedule A-1	Computation of Increase in Gross Revenue Requirements	Witness: Jason Martin
Schedule A-2	Summary of Results of Operations	Witness: Jason Martin
Schedule A-3	Summary of Capital Structure	Witness: Jason Martin
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service	Witness: Jason Martin
Schedule A-5	Summary Changes in Financial Position	Witness: Jason Martin
Schedule B-1	Summary of Original Cost and RCND Rate Base Elements	Witness: Jason Martin
Schedule B-2	Original Cost Rate Base Pro Forma Adjustments	Witness: Jason Martin
Schedule B-3	RCND Rate Base Pro Forma Adjustments	Witness: Jason Martin
Schedule B-4	RCND by Major Plant Accounts	Witness: Jason Martin
Schedule B-5	Computation of Working Capital	Witness: Jason Martin
Schedule C-1	Adjusted Test Year Income Statement	Witness: Jason Martin
Schedule C-2	Income Statement Pro Forma Adjustments	Witness: Jason Martin
Schedule C-3	Computation of Gross Revenue Conversion Factor	Witness: Jason Martin
Schedule D-1	Summary of Cost of Capital	Witness: Jason Martin
Schedule D-2	Cost of Long-Term and Short Term Debt	Witness: Jason Martin
Schedule D-3	Cost of Preferred Stock	Witness: Jason Martin
Schedule D-4	Cost of Common Equity	Witness: Jason Martin
Schedule E-1	Comparative Balance Sheet	Witness: Jason Martin
Schedule E-2	Comparative Income Statements	Witness: Jason Martin
Schedule E-3	Comparative Statement of Changes in Financial Position	Witness: Jason Martin
Schedule E-4	Statement of Change in Stockholders' Equity	Witness: Jason Martin
Schedule E-5	Detail of Utility Plant	Witness: Jason Martin
Schedule E-6	Comparative Departmental Operating Income Statements	Witness: Jason Martin
Schedule E-7	Operating Statistics	Witness: Jason Martin
Schedule E-8	Taxes Charged to Operations	Witness: Jason Martin
Schedule E-9	Notes to Financial Statements	Witness: Jason Martin
Schedule F-1	Projected Income Statements - Present and Proposed Rates	Witness: Jason Martin
Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates	Witness: Jason Martin
Schedule F-3	Projected Construction Requirements	Witness: Jason Martin
Schedule F-4	Assumptions Used in Developing Projections	Witness: Jason Martin
Schedule G-1	Cost of Service Summary - Present Rates	Witness: Jason Martin
Schedule G-2	Cost of Service Summary - Proposed Rates	Witness: Jason Martin
Schedule G-3	Rate Base Allocation to Classes of Service	Witness: Jason Martin
Schedule G-4	Expense Allocation to Classes of Service	Witness: Jason Martin
Schedule G-5	Distribution of Rate Base by Function	Witness: Jason Martin
Schedule G-6	Distribution of Expenses by Function	Witness: Jason Martin
Schedule G-7	Development of Allocation Factors	Witness: Jason Martin
Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates	Witness: Jason Martin
Schedule H-2	Analysis of Revenue by Detailed Class	Witness: Jason Martin
Schedule H-3	Changes in Representative Rate Schedules	Witness: Jason Martin
Schedule H-4	Typical Bill Analysis	Witness: Jason Martin
Schedule H-5	Bill Count	Witness: Jason Martin

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Increase in Gross Revenue Requirements

Exhibit:
Schedule A-1
Page 1

Witness: Jason Martin

Line

No.

Computation of Increase in Gross Revenue Requirements

1	Adjusted Rate Base	\$	9,761,369
2	Adjusted Operating Income	\$	595,334
3	Current Rate of Return		6.10%
4	Required Operating Income	\$	917,569
5	Required Rate of Return		9.40%
6	Operating Income Deficiency	\$	322,234
7	Gross Revenue Conversion Factor		1.6271
8	Increase in Gross Revenue Requirements	\$	524,294

Spread of Revenue Increase by Customer Classification

	<u>Customer Classification</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
9	Residential	\$ 2,735,193	\$ 3,145,752	\$ 410,559	15.01%
10	Commercial	\$ 261,496	\$ 304,880	\$ 43,384	16.59%
11	Construction	\$ 47,054	\$ 52,495	\$ 5,440	11.56%
12	Irrigation	\$ 131,318	\$ 150,187	\$ 18,869	14.37%
13	School	\$ 27,530	\$ 35,683	\$ 8,153	29.62%
14	Wholesale	\$ 190,328	\$ 227,964	\$ 37,636	19.77%
15	Total Water Revenues	<u>\$ 3,392,919</u>	<u>\$ 3,916,961</u>	<u>\$ 524,041</u>	<u>15.45%</u>

Supporting Schedules : B-1, C-1, C-3, D-1, H-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Results of Operations

Exhibit:
Schedule A-2
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		8/31/2013	8/31/2014	Actual 8/31/2015	Adjusted 8/31/2015	Present Rates 8/31/2016	Proposed Rates 8/31/2016
1	Gross Revenues	3,555,189	3,509,902	3,491,672	3,499,142	3,499,142	4,023,435
2	Revenue Deductions & Operating Expenses	2,785,584	2,788,344	2,803,557	2,903,807	2,903,807	3,108,743
3	Operating Income	\$ 769,605	\$ 721,559	\$ 688,115	\$ 595,334	\$ 595,334	\$ 914,693
4	Other Income and Deductions	(1,927)	(3,990)	-	-	-	-
5	Interest Expense	268,151	330,914	314,051	-	-	-
6	Net Income	\$ 503,381	\$ 394,635	\$ 374,065	\$ 595,334	\$ 595,334	\$ 914,693
7	Earned Per Average Common Share	N/A	N/A	N/A	N/A	N/A	N/A
8	Dividends Per Common Share	N/A	N/A	N/A	N/A	N/A	N/A
9	Payout Ratio	N/A	N/A	N/A	N/A	N/A	N/A
10	Return on Average Invested Capital						
11	Return on Year End Capital	6.90%	6.53%	7.12%	6.10%	6.10%	9.40%
12	Return on Average Common Equity						
13	Return on Year End Common Equity	6.90%	6.53%	7.12%	6.10%	6.10%	9.40%
14	Times Bond Interest Earned - Before Income Taxes	-	-	-	-	-	-
15	Times Total Interest and Preferred Dividends Earned - After Income Taxes	-	-	-	-	-	-

Supporting Schedules : E-2, C-2, A-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Capital Structure

Exhibit:
Schedule A-3
Page 1
Witness: Jason Martin

Line No.	Description	Prior Years At		Test Year At	Projected Year At
		8/31/2013	8/31/2014	8/31/2015	8/31/2016
1	Short-Term Debt	-	-	-	-
2	Long-Term Debt	-	-	-	-
3	Total Debt	\$ -	\$ -	\$ -	\$ -
4	Preferred Stock	-	-	-	-
5	Common Equity	11,883,784	12,278,419	12,652,484	12,652,484
6	Total Capital	<u>\$ 11,883,784</u>	<u>\$ 12,278,419</u>	<u>\$ 12,652,484</u>	<u>\$ 12,652,484</u>
<u>Capitalization Ratios:</u>					
7	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
8	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
9	Total Debt	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
10	Preferred Stock	0.00%	0.00%	0.00%	0.00%
11	Common Equity	100.00%	100.00%	100.00%	100.00%
12	Total Capital	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
13	Weighted Cost of Short-Term Debt			0.00%	0.00%
14	Weighted Cost of Long-Term Debt			0.00%	0.00%
15	Weighted Cost of Equity			7.12%	9.40%

Supporting Schedules : E-1, D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Construction Expenditures and Gross Utility Plant in Service

Exhibit:
Schedule A-4
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>		<u>Construction</u> <u>Expenditures</u>	<u>Net Placed in</u> <u>Service</u>	<u>Gross Utility Plant in</u> <u>Service</u>
1	Prior Year Ended	8/31/2013	\$ 219,406	\$ 1,008,672	\$ 24,069,397
2	Prior Year Ended	8/31/2014	\$ 252,096	\$ 531,465	\$ 24,600,861
3	Test Year Ended	8/31/2015	\$ -	\$ (206,742)	\$ 24,394,120
4	Projected Year Ended	8/31/2016	\$ -	\$ (624,770)	\$ 23,769,350
5	Projected Year Ended	8/31/2017	\$ -	\$ (624,770)	\$ 23,144,580
6	Projected Year Ended	8/31/2018	\$ -	\$ (624,770)	\$ 22,519,809

Supporting Schedules : E-1

Bermuda Water Company

Test Year Ended: 8/31.2015

Summary Changes in Financial Position

Exhibit:

Schedule A-5

Page 1

Witness: Jason Martin

Line No.	Description	Prior Years Ended		Test Year 8/31/2015	Projected Year	
		8/31/2013	8/31/2014		Present Rates 8/31/2016	Proposed Rates 8/31/2016
<u>Sources of Funds:</u>						
1	Operations	1,384,126	1,273,751	1,298,822	1,358,634	1,677,994
2	Outside Financing	5,155,258	5,049,745	4,943,304	4,850,218	4,850,218
3	Total Funds Provided	\$ 6,539,384	\$ 6,323,495	\$ 6,242,126	\$ 6,208,852	\$ 6,528,212
<u>Application of Funds:</u>						
4	Construction Expenditures	-	-	-	-	-
5	Other	-	-	-	-	-
6	Total Funds Applied	\$ -	\$ -	\$ -	\$ -	\$ -

Supporting Schedules : E-3, C-2, B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Summary of Original Cost and RCND Rate Base Elements

Exhibit:
Schedule B-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Original Cost Rate Base -</u> <u>Adjusted at End of TY</u>
1	Gross Utility Plant in Service	23,496,663
2	Less: Accumulated Depreciation	7,897,783
3	Net Utility Plant in Service	<u>\$ 15,598,880</u>
	<u>Less:</u>	
4	Advances in Aid of Construction	2,564,835
5	Contributions in Aid of Construction	2,285,383
6	ADIT	1,029,168
7	Customer Deposits	105,421
	<u>Add:</u>	
7	Allowance for Working Capital	147,296
9	Total Rate Base	<u><u>\$ 9,761,369</u></u>

Supporting Schedules : B-2, B-5
Recap Schedules : A-1, A-2

Bermuda Water Company

Test Year Ended: 8/31.2015

Original Cost Rate Base Pro Forma Adjustments

Exhibit:

Schedule B-2

Page 1

Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Staff Adjusted</u> <u>End of Test Year</u>	<u>Adjustment 1 -</u> <u>Depreciation &</u> <u>Amortization</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Adjusted at End of Test</u> <u>Year</u>
1	Gross Utility Plant in Service	24,394,120	(897,457)	(897,457)	23,496,663
2	Less: Accumulated Depreciation	8,795,240	(897,457)	(897,457)	7,897,783
3	Net Utility Plant in Service	\$ 15,598,880	\$ -	\$ -	15,598,880
<u>Less:</u>					
4	Advances in Aid of Construction	3,254,486	(689,651)	(689,651)	2,564,835
5	Contributions in Aid of Construction	1,688,818	596,565	596,565	2,285,383
6	ADIT	1,029,168			1,029,168
7	Customer Deposits	105,421			105,421
<u>Add:</u>					
7	Allowance for Working Capital	147,296	-	-	147,296
8	Total Rate Base	\$ 9,668,282	\$ 93,086	\$ 93,086	9,761,369

Supporting Schedules : E-1, RB Adj. #1 - D&A
Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND Rate Base Pro Forma Adjustments

Exhibit:
Schedule B-3
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
RCND by Major Plant Accounts

Exhibit:
Schedule B-4
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not perform a Reproduction Cost New Less Depreciation Study.

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Working Capital

Exhibit:
Schedule B-5
Page 1
Witness: Jason Martin

Line
No.

1	Working Cash Requirement (1/8 Method)	147,296
2	Material and Supplies Inventories	-
3	Prepayments	-
4	Total Working capital Allowance	<u>147,296</u>

Supporting Schedules: C-2
Recap Schedules : B-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Adjusted Test Year Income Statement

Exhibit:
Schedule C-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Test Year Book</u> <u>Results</u>	<u>Total Pro</u> <u>Forma</u> <u>Adjustments</u>	<u>Stipulated</u> <u>Adjustments</u>	<u>Test Year Adjusted Results</u>
<u>Revenues</u>					
1	Water Revenues	3,385,449	7,470	-	3,392,919
2	Other Revenues	106,223	-	-	106,223
3	Total Revenues	\$ 3,491,672	\$ 7,470	\$ -	\$ 3,499,142
<u>Operating Expenses</u>					
4	ELEC PWR - WATER SYSTEM	276,869	-	-	276,869
5	CHEMICALS	21,149	-	-	21,149
6	METER READING	-	-	-	-
7	BAD DEBT EXPENSE	24,959	-	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	-	28,010
9	EMPLOYEE PENSION&BENEFITS	192,615	8,763	-	201,378
10	INSURANCE EXPENSE	81,720	-	-	81,720
11	IT DEPARTMENT	28,964	-	-	28,964
12	MISCELLANEOUS EXPENSE	15,388	-	-	15,388
13	OFFICE EXPENSE	8,159	-	-	8,159
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	-	48,325
15	OUTSIDE SERVICE EXPENSE	57,309	-	-	57,309
16	REGULATORY COMMISSION EXP	14,881	60,986	(20,805)	55,062
17	RENT EXPENSE	17,663	-	-	17,663
18	SALARIES & WAGES	505,818	107,147	-	612,966
19	TRAVEL EXPENSE	6,370	-	-	6,370
20	FLEET TRANSPORTATION EXPENSE	37,037	-	-	37,037
21	MAINTENANCE TESTING	11,609	-	6,390	17,999
22	MAINTENANCE-WATER PLANT	19,858	-	-	19,858
23	MAINTENANCE-WTR&SWR PLANT	6,479	-	-	6,479
24	DEPRECIATION EXP-WATER	865,245	41,167	(24,484)	881,928
25	DEPREC EXP-AUTO TRANS	33,312	(7,746)	27,358	52,924
26	DEPREC EXP-COMPUTER	124,185	(99,231)	-	24,954
27	AMORT EXP-CIA-WATER	(97,985)	(8,075)	(90,445)	(196,505)
28	PAYROLL TAXES	53,883	10,547	-	64,431
29	PROPERTY & OTHER TAXES	194,623	-	(43,396)	151,227
30	DEF INCOME TAX-FEDERAL	173,233	(173,233)	-	-
31	DEF INCOME TAXES-STATE	6,127	(6,127)	-	-
32	INCOME TAXES-FEDERAL	-	306,687	-	306,687
33	INCOME TAXES-STATE	47,751	4,747	-	52,499
34	Total Operating Expenses	\$ 2,803,557	\$ 245,633	\$ (145,382)	\$ 2,903,807
35	Utility Operating Income	\$ 688,115	\$ (238,163)	\$ 145,382	\$ 595,334
<u>Other Income & Deductions</u>					
36	MISCELLANEOUS INCOME	-	-	-	-
37	RENTAL / OTHER INCOME	-	-	-	-
38	INTEREST EXPENSE-INTERCO	329,537	(329,537)	-	-
39	SHORT TERM INTEREST EXP	2,736	(2,736)	-	-
40	INTEREST DURING CONSTRUCTION	(18,222)	18,222	-	-
41	Total Other Income and Deductions	\$ 314,051	\$ (314,051)	\$ -	\$ -
42	Net Income	\$ 374,065	\$ 75,888	\$ 145,382	\$ 595,334

Supporting Schedules : C-2
Recap Schedules : A-1, A-2

Line No.	Description	Test Year Book Results	Adjustment 1 - Salaries, Benefits, Payroll Taxes & Vehicles	Adjustment 2 - Depreciation & Amortization	Adjustment 3 - Revenue	Adjustment 4 - Interest Expense, IDC & Taxes	Adjustment 5 - Rate Case Expense	Total Pro Forma Adjustments	Standardized Adjustments	Total Year Adjusted Results	Revenue Increase	Proposed
1	Revenues											
1	Water Operating Revenues	3,385,449	-	-	7,470	-	-	7,470	-	3,392,919	524,294	3,917,213
2	Miscellaneous Operating Revenues	206,223	-	-	-	-	-	-	-	106,223	-	106,223
3	Total Revenues	\$ 3,491,672	\$ -	\$ -	\$ 7,470	\$ -	\$ -	\$ 7,470	\$ -	\$ 3,499,142	\$ 524,294	\$ 4,023,435
4	Operating Expenses											
4	ELEC PWR - WATER SYSTEM	276,869	-	-	-	-	-	-	-	276,869	-	276,869
5	CHEMICALS	21,149	-	-	-	-	-	-	-	21,149	-	21,149
6	METER READING	-	-	-	-	-	-	-	-	-	-	-
7	BAD DEBT EXPENSE	24,959	-	-	-	-	-	-	-	24,959	-	24,959
8	BILLING & CUSTOMER SERVICE EXPENSE	28,010	-	-	-	-	-	-	-	28,010	-	28,010
9	EMPLOYEE PENSION & BENEFITS	192,615	-	-	-	-	-	-	-	192,615	-	192,615
10	INSURANCE EXPENSE	81,720	6,763	-	-	-	-	8,763	-	201,378	-	201,378
11	IT DEPARTMENT	28,964	-	-	-	-	-	-	-	81,720	-	81,720
12	MISCELLANEOUS EXPENSE	15,388	-	-	-	-	-	-	-	28,964	-	28,964
13	OFFICE EXPENSE	8,159	-	-	-	-	-	-	-	15,388	-	15,388
14	OFFICE UTILITIES/MAINTENANCE	48,325	-	-	-	-	-	-	-	8,159	-	8,159
15	OUTSIDE SERVICE EXPENSE	57,309	-	-	-	-	-	-	-	48,325	-	48,325
16	REGULATORY COMMISSION EXP	14,881	-	-	-	-	-	-	-	57,309	-	57,309
17	RENT EXPENSE	17,663	-	-	-	-	-	-	-	55,062	-	55,062
18	SALARIES & WAGES	505,818	107,147	-	-	-	-	60,986	(20,805)	17,663	-	17,663
19	TRAVEL EXPENSE	6,370	-	-	-	-	-	-	-	612,966	-	612,966
20	FLEET TRANSPORTATION EXPENSE	37,037	-	-	-	-	-	-	-	6,370	-	6,370
21	MAINTENANCE TESTING	11,609	-	-	-	-	-	-	-	37,037	-	37,037
22	MAINTENANCE-WATER PLANT	19,858	-	-	-	-	-	-	6,390	17,999	-	17,999
23	MAINTENANCE-WTR&SWR PLANT	6,479	-	-	-	-	-	-	-	19,858	-	19,858
24	DEPRECIATION EXP-WATER	865,245	-	41,167	-	-	-	41,167	(24,484)	881,928	-	881,928
25	DEPREC EXP-AUTO TRANS	33,312	-	(7,746)	-	-	-	(7,746)	27,358	52,924	-	52,924
26	DEPREC EXP-COMPUTER	124,185	-	(99,231)	-	-	-	(99,231)	24,954	24,954	-	24,954
27	AMORT EXP-CIA-WATER	(97,985)	-	(8,075)	-	-	-	(8,075)	(90,445)	(196,505)	-	(196,505)
28	PAYROLL TAXES	53,883	10,547	-	-	-	-	10,547	-	64,431	-	64,431
29	PROPERTY & OTHER TAXES	194,623	-	-	-	-	-	-	(43,396)	151,227	7,644	158,871
30	DEF INCOME TAX-FEDERAL	173,233	-	-	-	(173,233)	-	(173,233)	-	-	-	-
31	DEF INCOME TAXES-STATE	6,127	-	-	-	(6,127)	-	(6,127)	-	-	-	-
32	INCOME TAXES-FEDERAL	-	-	-	-	-	-	-	-	-	-	-
33	INCOME TAXES-STATE	-	-	-	-	-	-	-	-	-	-	-
34	Total Operating Expenses	47,751	126,458	(73,885)	-	4,747	-	306,687	145,387	52,499	168,456	475,142
35	Utility Operating Income	\$ 2,803,557	\$ 126,458	\$ (73,885)	\$ -	\$ 132,074	\$ 60,986	\$ 245,633	\$ (145,387)	\$ 2,903,807	\$ 204,935	\$ 3,108,743
36	Other Income & Deductions	\$ 688,115	\$ (126,458)	\$ 73,885	\$ 7,470	\$ (132,074)	\$ (60,986)	\$ (238,163)	\$ 145,387	\$ 595,333	\$ 319,358	\$ 914,693
37	MISCELLANEOUS INCOME	-	-	-	-	-	-	-	-	-	-	-
38	RENTAL / OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-
39	INTEREST EXPENSE INTERCO	329,537	-	-	-	(329,537)	-	(329,537)	-	-	-	-
40	SHORT TERM INTEREST EXP	2,736	-	-	-	(2,736)	-	(2,736)	-	-	-	-
41	INTEREST DURING CONSTRUCTION	(18,222)	-	-	-	18,222	-	18,222	-	-	-	-
42	Net Income	\$ 314,051	\$ 126,458	\$ (73,885)	\$ 7,470	\$ (132,074)	\$ (60,986)	\$ (238,163)	\$ 145,387	\$ 595,333	\$ 319,358	\$ 914,693

Adjustment 3 - Revenue reflects the difference between booked operating revenues and calculated revenues based on recorded sales.
Adjustment 4 - Adjustments reflect recalculation of interest and taxes after all other adjustments.
Interest expense is calculated by multiplying rate base (A-1) by the weighted cost of debt (D-1)

Supporting Schedules: YE 8.31.15 TB; 15 Adj; #1 Labor Costs; 15 Adj; #2 - O&M; 15 Adj; #5 Recap Schedules - C-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Computation of Gross Revenue Conversion Factor

Exhibit:
Schedule C-3
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	<u>Description</u>	
1	Operating Income Before Taxes	100.00%
2	State Income Taxes	<u>5.500%</u>
3	Federal Taxable Income	94.500%
4	Federal Income Taxes	34.00%
5	Effective Federal Income Taxes	32.130%
6	Combined Effective Income Taxes	<u>37.63%</u>
7	Operating Income Percentage	62.37%
8	Property Tax Factor	0.909%
9	Gross Revenue Conversion Factor	1.6271

Recap Schedules : A-1

Bermuda Water Company
Test Year Ended: 8/31/2015
Summary of Cost of Capital

Exhibit:
Schedule D-1
Page 1

Witness: Jason Martin

Line No.	Description	End of Test Year			End of Projected Year		
		Dollar Amount	Percent of Total	Cost Rate	Dollar Amount	Percent of Total	Cost Rate
1	Short-Term Debt	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%
2	Long-Term Debt	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%
3	Stockholder's Equity	\$ 12,652,484	100.00%	7.12%	\$ 12,652,484	100.00%	9.40%
4	Total	<u>\$ 12,652,484</u>	<u>100.00%</u>		<u>\$ 12,652,484</u>	<u>100.00%</u>	<u>9.40%</u>

Supporting Schedules : D-4
Recap Schedules : A-1, A-2, A-3

Exhibit:
Schedule D-2
Page 1
Witness: Jason Martin

Supporting Schedules : D-1

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Preferred Stock

Exhibit:
Schedule D-3
Page 1

Witness: Jason Martin

Line No.	Description	End of Test Year		End of Projected Year	
		Shares Outstanding	Amount	Shares Outstanding	Amount
					Dividend Requirement

1 Not Applicable. No Preferred Stock Issued or Outstanding.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Common Equity

Exhibit:
Schedule D-4
Page 1

Witness: Jason Martin

Line
No.

1 The Company's rate application reflects a 10.0% return on common equity. See the direct testimony of Jason Martin.

2 Return on Common Equity = 10.0%

3 9.40%

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Balance Sheet

Exhibit:
Schedule E-1
Page 1
Witness: Jason Martin

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
<u>ASSETS</u>				
<u>Property, Plant & Equipment</u>				
1	Utility Plant	24,394,120	24,600,861	24,069,397
2	Construction Work in Progress	-	252,096	219,406
3	Utility Plant Acquisition Adjustment	-	-	-
4	Less: Accumulated Depreciation	8,795,240	8,508,438	7,753,051
5	Net Plant	\$ 15,598,880	\$ 16,344,519	\$ 16,535,752
<u>Current Assets</u>				
6	CASH	1,000	7,092	9,711
7	ACCOUNTS RECEIVABLE	1,714,278	939,484	322,545
8	INVENTORY TOTAL	772	393	998
9	OTHER CURRENT ASSETS	3,155	18,163	16,582
10	Total Current Assets	\$ 1,719,204	\$ 965,133	\$ 349,836
11	DEF CHGS & OTHER ASSETS	\$ 12,584	\$ 21,852	\$ 61,082
12	Total Assets	\$ 17,330,668	\$ 17,331,504	\$ 16,946,670
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>				
<u>Equity</u>				
13	COMMON STOCK	27,200	27,200	27,200
14	PAID IN CAPITAL	230,776	230,776	230,776
15	MISC PAID IN CAPITAL	4,342,279	4,342,279	4,342,279
16	TREASURY STOCK	(340,000)	(340,000)	(340,000)
17	RETAINED EARNINGS	8,392,229	8,018,165	7,623,529
18	Total Equity	\$ 12,652,484	\$ 12,278,419	\$ 11,883,784
<u>Long-Term Liabilities</u>				
19	ADVANCES IN AID OF CONSTRUCTION	3,254,486	3,262,978	3,270,542
20	CONTRIBUTIONS IN AID OF CONSTRUCTION	1,688,818	1,786,767	1,884,716
21	DEFERRED INCOME TAXES	1,029,168	848,975	609,406
22	DEFERRED INVESTMENT TAX CREDITS	4,334	0	0
23	Total Long-Term Liabilities	\$ 5,976,807	\$ 5,898,720	\$ 5,764,664
<u>Current Liabilities</u>				
24	ACCOUNTS PAYABLE	(1,113,352)	(1,152,224)	(1,113,327)
25	CUSTOMER DEPOSITS	105,421	111,696	133,110
26	ACCRUED TAXES	216,202	177,669	257,478
27	ACCRUED INTEREST	4,347	4,282	8,019
28	PAYABLE TO DEVELOPERS	12,943	12,943	12,943
29	Total Current Liabilities	\$ (774,439)	\$ (845,634)	\$ (701,777)
30	Total Liabilities & Common Equity	\$ 17,854,851	\$ 17,331,504	\$ 16,946,671

Supporting Schedules : E-5, YE 8.31.13 TB, YE 8.31.14 TB, YE 8.31.15 TB
Recap Schedules : A-3

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Income Statements

Exhibit:
Schedule E-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		8/31/2015	8/31/2014	8/31/2013
1	Operating Revenues	\$ 3,491,672	\$ 3,509,902	\$ 3,555,189
2	Operation and Maintenance Expense	1,403,182	1,407,012	1,432,738
3	Depreciation & Amortization	924,757	879,115	880,745
4	Other Taxes	248,506	198,448	191,354
5	Income Taxes	227,111	303,769	280,746
6	Total Operating Expense	\$ 2,803,557	\$ 2,788,344	\$ 2,785,584
7	Operating Income	\$ 688,115	\$ 721,559	\$ 769,605
8	Other Income	-	(3,990)	(1,927)
9	Interest	332,272	349,129	391,498
10	AFUDC	(18,222)	(18,216)	(123,347)
11	Net Income	\$ 374,065	\$ 394,635	\$ 503,381
12	Preferred Dividends	\$ -	\$ -	\$ -
13	Earnings Available for Common Stock	N/A	N/A	N/A
14	Earnings Per Share of Average Common Stock Outstanding	N/A	N/A	N/A

Supporting Schedules : C-1, YE 8.31.14 TB, YE 8.31.13 TB

Bermuda Water Company
Test Year Ended: 8/31.2015
Comparative Statement of Changes in Financial Position

Exhibit:
Schedule E-3
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		9/1/2014-8/31/2015	9/1/2013-8/31/2014	9/1/2012-8/31/2013

Source of Funds:

From Operations

1	Net Income	374,065	394,635	503,381
2	Depreciation and Amortization	909,891	843,552	845,200
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	<u>\$ 1,298,822</u>	<u>\$ 1,273,751</u>	<u>\$ 1,384,126</u>

From Financing

5	Advances in Aid of Construction	3,254,486	3,262,978	3,270,542
6	Contributions in Aid of Construction	1,688,818	1,786,767	1,884,716
7	Other	-	-	-
8	Total From Financing	<u>\$ 4,943,304</u>	<u>\$ 5,049,745</u>	<u>\$ 5,155,258</u>

Application of Funds:

9	Construction Expenditures	-	-	-
10	Other	-	-	-
11	Total Funds Applied	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules : E-1, E-2, F-3
Recap Schedules : A-5

Bermuda Water Company
Test Year Ended: 8/31/2015
Statement of Change in Stockholders' Equity

Exhibit:
Schedule E-4
Page 1
Witness: Jason Martin

Line No.	Description	UTILITIES, INC. CAPITAL STRUCTURE					
		Preferred		Common			
		Shares	Amount	Shares	Amount	Additional Paid-In Capital	Retained Earnings
1	Balance, August 31, 2012	-	\$ -	-	1,000 \$	100 \$	4,143,350 \$ 6,797,046
2	Net Earnings	-	\$ -	-	\$ -	\$ -	329,842
3	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	-
4	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	-
5	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	-
6	Common Stock Issued	-	\$ -	-	\$ -	\$ -	-
7	Balance, August 31, 2013	-	\$ -	-	1,000 \$	100 \$	4,573,054 \$ 7,126,888
8	Net Earnings	-	\$ -	-	\$ -	\$ -	568,174
9	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	-
10	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	-
11	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	-
12	Common Stock Issued	-	\$ -	-	\$ -	\$ -	-
13	Balance, August 31, 2014	-	\$ -	-	1,000 \$	100 \$	4,573,054 \$ 7,695,063
14	Net Earnings	-	\$ -	-	\$ -	\$ -	367,914
15	Cash Dividends - Preferred	-	\$ -	-	\$ -	\$ -	-
16	Cash Dividends - Common	-	\$ -	-	\$ -	\$ -	-
17	Preferred Stock Issued	-	\$ -	-	\$ -	\$ -	-
18	Common Stock Issued	-	\$ -	-	\$ -	\$ -	-
19	Balance, August 31, 2015	-	\$ -	-	1,000 \$	100 \$	4,573,054 \$ 8,062,977

Note: Parent company made a \$1,000,000 capital contribution
Note: E-4 shows capital structure of Utilities, Inc., however the capital structure of Bermuda has been utilized for this filing.

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Bermuda Water Company

Test Year Ended: 8/31.2015

Comparative Departmental Operating Income Statements

Exhibit:
Schedule E-6
Page 1

Witness: Jason Martin

Line
No.

1 Bermuda Water Company only contains one operating system.

Bermuda Water Company
Test Year Ended: 8/31.2015
Operating Statistics

Exhibit:
Schedule E-7
Page 1

Witness: Jason Martin

		Test Year Ended	Prior Years Ended	
Line No.	Description	8/31/2015	8/31/2014	8/31/2013
<u>Water Sold</u>				
1	Residential	718,466,000	737,563,000	760,758,000
2	Commercial	62,517,000	52,928,000	50,970,000
3	Construction	13,360,000	15,235,000	19,245,000
4	Irrigation	50,118,000	54,877,000	59,332,000
5	School	5,540,000	6,336,000	6,612,000
6	Wholesale	107,530,000	110,080,000	120,698,000
7	Total Gallons Sold	957,531,000	977,019,000	1,017,615,000
<u>Average No. Customers</u>				
8	Residential	7,465	7,377	7,308
9	Commercial	269	258	248
10	Construction	13	12	12
11	Irrigation	105	109	110
12	School	9	9	9
13	Wholesale	9	9	9
14	Avg. Annual Gallons Per Residential Customer	96,240	99,984	104,105
15	Avg. Annual Revenue Per Residential Customer	\$ 366.39	\$ 376.58	\$ 388.00
16	Pumping Cost Per 1,000 Gallons			

Supporting Schedules : H-5, Test Tr Consum Ending 8-31-15, YE 8-31-14 Cons, YE 8-31-13 Cons

Bermuda Water Company
Test Year Ended: 8/31.2015
Taxes Charged to Operations

Exhibit:
Schedule E-8
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Prior Years Ended	
		8/31/2015	8/31/2014	8/31/2013
<u>Federal Taxes</u>				
1	INCOME TAXES-FEDERAL	-	-	215,862
2	FICA EXPENSE	47,398	41,334	36,178
3	DEF INCOME TAX-FEDERAL	173,233	242,990	53,170
4	FEDERAL UNEMPLOYMENT TAX	527	514	1,239
5	Total Federal Taxes	\$ 221,158	\$ 284,838	\$ 306,450
<u>State Taxes</u>				
6	INCOME TAXES-STATE	47,751	64,186	-
7	DEF INCOME TAXES-STATE	6,127	(3,408)	11,714
8	STATE UNEMPLOYMENT TAX	5,958	5,853	4,059
9	Total State Taxes	\$ 59,836	\$ 66,632	\$ 15,772
<u>Other Taxes</u>				
10	FRANCHISE TAX	2,962	5,046	7,426
11	PERSONAL PROPERTY/ICT TAX	147,733	140,312	139,909
12	PROPERTY/OTHER GENERAL TAX	6,769	(4,259)	(9,744)
13	REAL ESTATE TAX	37,159	2,441	2,499
14	UTILITY/COMMISSION TAX	6,150	7,206	9,788
15	Total Local Taxes	\$ 200,773	\$ 150,747	\$ 149,878
16	Total Taxes	\$ 481,768	\$ 502,217	\$ 472,100

Supporting Schedules : YE 8.31.15 TB, YE 8.31.14 TB, YE 8.31.13 TB

Bermuda Water Company
Test Year Ended: 8/31.2015
Notes to Financial Statements

Exhibit:
Schedule E-9
Page 1
Witness: Jason Martin

Line
No.

- 1 The accrual accounting method is used.
- 2 Depreciation has been adjusted in this filing to reflect the Commision's approved rates.
- 3 Federal Income taxes are part of consolidated return of the parent company.
- 4 IDC is charged at a rate of 8.10%.

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Income Statements - Present and Proposed Rates

Exhibit:
Schedule F-1
Page 1
Witness: Jason Martin

<u>Line</u> <u>No.</u>	Test Year Ended	Projected Year Ended	
	8/31/2015	8/31/2016 - Present Rates	8/31/2016 - Proposed Rates
1 Operating Revenues	\$ 3,491,672	\$ 3,499,142	\$ 4,023,435
2 Operation and Maintenance Expense	1,403,182	1,565,664	1,565,664
3 Depreciation & Amortization	924,757	763,301	763,301
4 Other Taxes	248,506	215,657	223,301
5 Income Taxes	227,111	359,185	556,477
6 Total Operating Expense	\$ 2,803,557	\$ 2,903,807	\$ 3,108,743
7 Operating Income	\$ 688,115	\$ 595,334	\$ 914,693
8 Other Income	-	-	-
9 Interest	332,272	-	-
10 AFUDC	(18,222)	-	-
11 Net Income	\$ 374,065	\$ 595,334	\$ 914,693
12 Earnings Per Share of Average Common Stock Outstanding			
13 Return on Common Equity			9.40%

Supporting Schedules : E-2, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Changes in Financial Position - Present and Proposed Rates

Exhibit:
Schedule F-2
Page 1
Witness: Jason Martin

Line No.	Description	Test Year Ended	Projected Year Ended	
		8/31/2015	8/31/2016 at Present Rates	8/31/2016 at Proposed Rates

Source of Funds:

From Operations

1	Net Income	374,065	595,333	914,693
2	Depreciation and Amortization	909,891	763,301	763,301
3	Amort. Of Regulatory Expense	14,866	35,563	35,545
4	Total from Operations	\$ 1,298,822	\$ 1,394,197	\$ 1,713,539

From Financing

5	Advances in Aid of Construction	3,254,486	2,564,835	2,564,835
6	Contributions in Aid of Construction	1,688,818	2,285,383	2,285,383
7	Total From Financing	\$ 4,943,304	\$ 4,850,218	\$ 4,850,218

Application of Funds:

8	Construction Expenditures	-	-	-
9	Other	-	-	-
10	Total Funds Applied	\$ -	\$ -	\$ -

Details of Financing:

11	Changes in Short-Term Debt	-	-	-
12	Changes in Long-Term Debt	-	-	-
13	Changes in Preferred Stock	-	-	-
14	Changes in Common Equity	-	-	-

Supporting Schedules : E-3, C-2

Bermuda Water Company
Test Year Ended: 8/31.2015
Projected Construction Requirements

Exhibit:
 Schedule F-3
 Page 1
 Witness: Jason Martin

Line No.		Property Classification	Test Year Ended		Projected Year Ended	
			8/31/2015	8/31/2016	8/31/2017	8/31/2018
<u>From Operations</u>						
1		Production Plant	-	-	-	-
2		Transmission Plant	-	-	-	-
3		Miscellaneous Plant	-	-	-	-
4		Total Plant	\$ -	\$ -	\$ -	\$ -

Bermuda Water Company
Test Year Ended: 8/31.2015
Assumptions Used in Developing Projections

Exhibit:
Schedule F-4
Page 1
Witness: Jason Martin

Line
No.

- 1 Customer Growth
- 2 None
- 3 Growth in Consumption and Customer Demand
- 4 None
- 5 Changes in Expenses
- 6 See Schedule C-1 and C-2.
- 7 Construction requirements, including production reserves and changes in plant capacity
- 8 None
- 9 Capital Structure Changes
- 10 None
- 11 Financing Costs, Interest Rates
- 12 See Schedule D-1.

Bermuda Water Company
Test Year Ended: 8/31.2015
Cost of Service Analysis

Exhibit:
Schedules G-1 thru G-7
Page 1
Witness: Jason Martin

Line
No.

- 1 The Company did not prepare a cost of service study.

Bermuda Water Company

Test Year Ended: 8/31.2015

Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit:

Schedule H-1

Page 1

Witness: Jason Martin

Line No.	Customer Classification	Test Year Revenues		Proposed Increase	
		Present Rates	Proposed Rates	Amount	Percentage
1	Residential	\$ 2,735,193	\$ 3,145,752	\$ 410,559	15.01%
2	Commercial	\$ 261,496	\$ 304,880	\$ 43,384	16.59%
3	Construction	\$ 47,054	\$ 52,495	\$ 5,440	11.56%
4	Irrigation	\$ 131,318	\$ 150,187	\$ 18,869	14.37%
5	School	\$ 27,530	\$ 35,683	\$ 8,153	29.62%
6	Wholesale	\$ 190,328	\$ 227,964	\$ 37,636	19.77%
7	Total Revenues	\$ 3,392,919	\$ 3,916,961	\$ 524,041	15.45%

Supporting Schedules : H-2

Recap Schedules : A-1

Bermuda Water Company

Test Year Ended: 8/31/2015

Analysis of Revenue by Detailed Class

Exhibit:

Schedule H-2

Page 1

Witness: Jason Martin

Line No.	Customer Classification	Meter Size	Average Number of Customers	Test Year Revenues			Proposed Increase	
				Average Consumption	Present Rates	Proposed Rates	Amount	Percentage
1	Residential	5/8"	7,352	7,767	\$ 2,572,583	\$ 2,962,392	\$ 389,809	15.15%
2	1"	75	15,455	64,457	\$ 72,910	\$ 8,453		13.11%
3	1.5"	2	6,583	1,996	\$ 2,124	\$ 128		6.41%
4	2"	35	43,817	91,683	\$ 103,345	\$ 11,662		12.72%
5	3"	1	53,167	4,474	\$ 4,980	\$ 507		11.33%
6	6"	-	#DIV/0!	-	\$ -	\$ -		#DIV/0!
7	Total Residential			\$ 2,735,193	\$ 3,145,752	\$ 410,559		15.01%
8	Commercial	5/8"	180	7,821	\$ 71,929	\$ 85,140	\$ 13,211	18.37%
9	1"	57	19,302	57,294	\$ 65,718	\$ 8,424		14.70%
10	2"	33	82,510	132,273	\$ 154,022	\$ 21,750		16.44%
11	Total Commercial			\$ 261,496	\$ 304,880	\$ 43,384		16.59%
12	Construction	5/8"	-	#DIV/0!	\$ -	\$ -		#DIV/0!
13	1"	2	14,917	1,427	\$ 1,579	\$ 152		10.63%
14	2"	3	20,162	5,367	\$ 5,769	\$ 402		7.48%
15	3"	8	136,178	40,260	\$ 45,147	\$ 4,887		12.14%
16	Total Construction			\$ 47,054	\$ 52,495	\$ 5,440		11.56%
17	Irrigation	5/8"	6	17,597	\$ 3,014	\$ 3,553	\$ 539	17.88%
18	1"	92	26,748	87,385	\$ 98,846	\$ 11,462		13.12%
19	2"	7	228,738	40,919	\$ 47,788	\$ 6,869		16.79%
20	Total Irrigation			\$ 131,318	\$ 150,187	\$ 18,869		14.37%
21	School	1"	1	16,333	\$ 767	\$ 851	\$ 84	10.90%
22	1.5"	1	39,417	1,677	\$ 1,873	\$ 196		11.66%
23	2"	6	25,528	11,317	\$ 12,249	\$ 931		8.23%
24	6"	-	-	-	\$ -	\$ -		-
25	8"	-	-	-	\$ -	\$ -		-
26	10"	1	252,750	13,768	\$ 20,711	\$ 6,943		50.43%
27	Total School			\$ 27,530	\$ 35,683	\$ 8,153		29.62%
28	Wholesale	5/8"	1	1,050,833	\$ 22,320	\$ 26,733	\$ 4,414	19.77%
29	1"	3	26,139	1,666	\$ 1,995	\$ 329		19.77%
30	4"	1	45,000	956	\$ 1,145	\$ 189		19.77%
31	6"	4	1,946,646	165,387	\$ 198,091	\$ 32,704		19.77%
32	Total Wholesale			\$ 190,328	\$ 227,964	\$ 37,636		19.77%
33	Total Company			\$ 3,392,919	\$ 3,916,961	\$ 524,041		15.45%

Supporting Schedules: H-5, Test Yr Consum Ending 8/31/15

Recap Schedules: H-1

Line No.	Customer Classification	Meter Size	Rate Block	Base Charge			Volume Charge per 1,000 Gals.		
				Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
1	Residential	5/8"	First 3,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.25	\$ 1.25	\$ -
2			3,001 to 9,000 gals.				\$ 2.00	\$ 2.43	\$ 0.43
3			Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
4		1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
5			Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
6		1.5"	First 50,000 gals.	\$ 70.00	\$ 72.50	\$ 2.50	\$ 2.00	\$ 2.43	\$ 0.43
7			Over 50,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
8		2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
9			Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
10		3"	First 165,000 gals.	\$ 224.00	\$ 232.00	\$ 8.00	\$ 2.00	\$ 2.43	\$ 0.43
11			Over 165,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
12		6"	First 500,000 gals.	\$ 700.00	\$ 725.00	\$ 25.00	\$ 2.00	\$ 2.43	\$ 0.43
13			Over 500,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
14	Commercial	5/8"	First 9,000 gals.	\$ 13.00	\$ 14.50	\$ 1.50	\$ 2.00	\$ 2.43	\$ 0.43
15			Over 9,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
16		1"	First 25,000 gals.	\$ 35.00	\$ 36.25	\$ 1.25	\$ 2.00	\$ 2.43	\$ 0.43
17			Over 25,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
18		2"	First 80,000 gals.	\$ 112.00	\$ 116.00	\$ 4.00	\$ 2.00	\$ 2.43	\$ 0.43
19			Over 80,000 gals.				\$ 3.12	\$ 3.85	\$ 0.73
20	Construction	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
21		1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
22		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
23		3"		\$ 224.00	\$ 232.00	\$ 8.00	\$ 1.64	\$ 1.98	\$ 0.34
24	Irrigation	5/8"		\$ 13.00	\$ 14.50	\$ 1.50	\$ 1.64	\$ 1.98	\$ 0.34
25		1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.64	\$ 1.98	\$ 0.34
26		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.64	\$ 1.98	\$ 0.34
27	School	1"		\$ 35.00	\$ 36.25	\$ 1.25	\$ 1.77	\$ 2.12	\$ 0.35
28		1.5"		\$ 70.00	\$ 72.50	\$ 2.50	\$ 1.77	\$ 2.12	\$ 0.35
29		2"		\$ 112.00	\$ 116.00	\$ 4.00	\$ 1.77	\$ 2.12	\$ 0.35
30		6"		\$ 700.00	\$ 700.00	\$ -	\$ 1.77	\$ 2.16	\$ 0.39
31		8"		\$ 700.00	\$ 940.00	\$ 240.00	N/A	\$ 2.16	N/A
32		10"		\$ 700.00	\$ 1,180.00	\$ 480.00	N/A	\$ 2.16	N/A
33	Wholesale	5/8"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
34		1"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
35		4"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35
36		6"		\$ -	\$ -	\$ -	\$ 1.77	\$ 2.12	\$ 0.35

Bermuda Water Company
Exhibit 2 - Revised H-3 Schedule
Changes in Representative Rate Schedules

Exhibit: 2
Schedule H-3
Page 3

Witness: Jason Martin

Line No.	Customer Classification	Current Charge	Proposed Charge	Notes
<u>Miscellaneous Charges</u>				
1	Compromised Meter Lock	\$ 15.00	\$ 15.00	
2	Deferred Payment Interest	1.50%	1.50%	A
3	Deposit	-	\$ -	B
4	Deposit (Interest)	-	\$ -	B
5	Establishment Fee	\$ 35.00	\$ 35.00	
6	Late Payment	1.50%	1.50% or \$5.00	C
7	Meter Test Performed by Company	\$ 20.00	\$ 20.00	D
8	Meter Test Performed by Outside Vendor	\$ 25.00	\$ 25.00	D
9	NSF Check (Returned Check)	\$ 15.00	\$ 25.00	
10	Reconnection (Delinquent)	\$ 50.00	\$ 50.00	
11	After Hours Service Charge	\$ 30.00	\$ 30.00	
12	Meter Re-Read Charge	\$ 5.00	\$ 10.00	
<u>Meter Installation Charges</u>				
	5/8" x 3/4"	\$ 60.00	\$ 140.00	E
	1"	\$ 85.00	\$ 290.00	E
	1.5"	n/a	\$ 500.00	
	2"	\$ 317.00	\$ 900.00	E
	3" or larger	\$ -	\$ -	E & F
<u>Service Line Installation Charges</u>				
	5/8" x 3/4"	\$ 125.00	\$ 500.00	E
	1"	\$ 180.00	\$ 560.00	E
	1.5"	n/a	\$ 560.00	
	2"	\$ 520.00	\$ 900.00	E
	3" or larger	-	\$ -	E & F

Notes

- A 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement
- B Pursuant to A.A.C.R. 14-2-403(B).
- C If payment not received within 15 days from date bill is rendered 1.5% or \$5, whichever is greater
- D Only if correct
- E Refunds of the installation charges shall be pursuant to A.A.C.R. 14-3-405 except that the refunds will occur in the billing month of September
- F Actual costs of materials and labor

EXHIBIT 2

Bermuda Water Company
Exhibit 2 - Revised H-3 Schedule
Changes in Representative Rate Schedules

Exhibit: 2
Schedule H-3
Page 3

Witness: Jason Martin

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<u>Miscellaneous Charges</u>				
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3	Deposit	-	\$ -	B
4	Deposit (Interest)	-	\$ -	B
5	Establishment Fee	\$ 35.00	\$ 35.00	
6	Late Payment	1.50%	1.50% or \$5.00	C
7	Meter Test Performed by Company	\$ 20.00	\$ 20.00	D
8	Meter Test Performed by Outside Vendor	\$ 25.00	\$ 25.00	D
9	NSF Check (Returned Check)	\$ 15.00	\$ 25.00	
10	Reconnection (Delinquent)	\$ 50.00	\$ 50.00	
11	After Hours Service Charge	\$ 30.00	\$ 30.00	
12	Meter Re-Read Charge	\$ 5.00	\$ 10.00	
<u>Meter Installation Charges</u>				
	5/8" x 3/4"	\$ 60.00	\$ 140.00	E
	1"	\$ 85.00	\$ 290.00	E
	1.5"	n/a	\$ 500.00	
	2"	\$ 317.00	\$ 900.00	E
	3" or larger	\$ -	\$ -	E & F
<u>Service Line Installation Charges</u>				
	5/8" x 3/4"	\$ 125.00	\$ 500.00	E
	1"	\$ 180.00	\$ 560.00	E
	1.5"	n/a	\$ 560.00	
	2"	\$ 520.00	\$ 900.00	E
	3" or larger	-	\$ -	E & F

Notes

- A 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement
- B Pursuant to A.A.C.R. 14-2-403(B).
- C If payment not received within 15 days from date bill is rendered 1.5% or \$5, whichever is greater
- D Only if correct
- E Refunds of the installation charges shall be pursuant to A.A.C.R. 14-3-405 except that the refunds will occur in the billing month of September
- F Actual costs of materials and labor

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION OF)
BERMUDA WATER COMPANY, AN ARIZONA)
CORPORATION, FOR A DETERMINATION OF)
THE FAIR VALUE OF ITS UTILITY PLANTS)
AND FOR INCREASES IN ITS WATER RATES)
AND CHARGES FOR UTILITY SERVICE BASED)
THEREON.)
_____)

DOCKET NO. W-01812A-15-0421

DIRECT
TESTIMONY
OF
CRYSTAL S. BROWN
EXECUTIVE CONSULTANT III
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

JULY 26, 2016

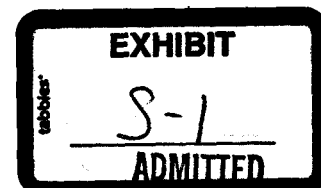


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THE COMPANY'S PROPOSED CAPITAL STRUCTURE AND OVERALL RATE OF RETURN	2
STAFF'S RECOMMENDED CAPITAL STRUCTURE AND OVERALL RATE OF RETURN	4

**EXECUTIVE SUMMARY
BERMUDA WATER COMPANY
DOCKET NO. W-01812A-15-0421**

Staff recommends a 9.40 percent rate of return. Staff's recommended rate of return was calculated using a capital structure consisting of 100.0 percent equity and a 9.40 percent cost of equity ("COE"). Staff's COE recommendation is based on the recent cost of equity analysis and recommendation made by Staff in Docket No. W-02465A-15-0367 et al. ("Bella Vista case"), a rate case currently pending before the Commission.

1 INTRODUCTION

2 Q. Please state your name, occupation, and business address.

3 A. My name is Crystal S. Brown. I am an Executive Consultant III employed by the Arizona
4 Corporation Commission ("ACC" or "Commission") in the Utilities Division ("Staff"). My
5 business address is 1200 West Washington Street, Phoenix, Arizona 85007.
6

7 Q. Briefly describe your responsibilities as an Executive Consultant III.

8 A. I am responsible for the examination and verification of financial and statistical information
9 included in utility rate applications and other financial matters, including performing studies to
10 estimate the cost of capital component in rate filings and developing revenue requirements. In
11 addition, I prepare written reports, testimonies, and schedules that include Staff
12 recommendations to the Commission. I am also responsible for testifying at formal hearings
13 on these matters.
14

15 Q. Please describe your educational background and professional experience.

16 A. I received a Bachelor of Science Degree in Business Administration from the University of
17 Arizona and a Bachelor of Science Degree in Accounting from Arizona State University.
18

19 Since joining the Commission in August 1996, I have participated in numerous rate cases and
20 other regulatory proceedings involving electric, gas, water, and wastewater utilities. I have
21 testified on matters involving regulatory accounting, auditing, and the cost of capital.
22 Additionally, I have attended utility-related seminars sponsored by the National Association of
23 Regulatory Utility Commissioners ("NARUC") on ratemaking and accounting designed to
24 provide continuing and updated education in these areas.

1 Q. What is the scope of your testimony in this case?

2 A. My testimony provides Staff's recommended capital structure, cost of equity, and overall rate
3 of return ("ROR") for Bermuda Water Company., ("Bermuda" or "Company").
4

5 Q. Who else is providing Staff testimony and what issues will they address?

6 A. Staff witness Phan Tsan is presenting Staff's recommendations concerning the revenue
7 requirement and rate design. Staff witness Dorothy Hains is presenting Staff's engineering
8 analysis and recommendations.
9

10 **THE COMPANY'S PROPOSED CAPITAL STRUCTURE AND OVERALL RATE OF**
11 **RETURN**

12 Q. Briefly summarize the Company's proposed capital structure, cost of debt, ROE and
13 overall ROR for this proceeding.

14 A. Table 1 summarizes the Company's proposed capital structure, cost of debt, ROE and overall
15 ROR of 10.00 percent.

16 Table 1
17 The Company's Proposed Capital Structure and ROR

	Weight	Cost	Weighted Cost
Long-term Debt	00.00%	0.00%	0.00%
Common Equity	100.00%	10.00%	10.00%
ROR			10.00%

18
19 Q. Did the Company perform a cost of equity analysis to support its 10 percent COE?

20 A. No, it did not. According to the Company's witness, Mr. Jason A. Martin, "... the Company
21 relied on returns on equity that the Commission has granted to other water utilities sharing a
22 similar customer size and risk profile."
23

1 Q. How does the Company's COE and ROR compare to other Commission regulated
2 utilities?

3 A. As shown in the Table below, the Company's COE is among the highest authorized by the
4 Commission in recent years. Further, the Company's proposed 10 percent rate of return is
5 higher than any ROR authorized by the Commission in recent years.
6

7 **Table 2**
8 **Comparison of the Company's Proposed COE/ROE to Recently Authorized COE's &**
9 **ROR's**
10

	Docket No.	Decision No.	Decision Date.	% Equity In Capital Structure	% Debt In Capital Structure	Authorized COE/ROE	Authorized Rate of Return
Bermuda Water Co.	W-01812A-15-0421			100.00%	0.00%	10.00%	10.00%
Las Quintas Serenas	W-01583A-13-0117	74398	3/1/14	27.20%	72.80%	9.10%	7.70%
Lago Del Oro	W-01944A-13-0215	74564	6/20/14	71.00%	29.00%	9.70%	8.20%
Payson Water	W-03514A-13-0111	74567	6/20/14	100.00%	0.00%	9.00%	9.00%
Chaparral City	W-02113A-13-0118	74568 &	6/20/14 &	85.55%	14.45%	9.60%	8.95%
Verde Santa Fe	SW-03437A-13-0292	74585 74608	7/30/14 7/30/14	100.00%	0.00%	9.60%	9.60%
Abra Water	W-01782A-14-0084	74869	12/18/14	48.60%	51.40%	10.3%	7.68%
Epcor-Tubac	WS-01303A-14-0010	75268	9/8/15	41.47%	72.80%	9.5%	6.28%

STAFF'S RECOMMENDED CAPITAL STRUCTURE AND OVERALL RATE OF RETURN

Q. What is Staff's recommended rate of return ("ROR") in this case?

A. Staff recommends a 9.4 percent ROR. Staff's recommended ROR is shown in the following table:

Table 3
Staff's Recommended Capital Structure and ROR

	Weight	Cost	Weighted Cost
Long-term Debt	0.00%	0.0%	0.0%
Common Equity	100.00%	9.4%	<u>9.4%</u>
ROR			9.4%

Staff's recommended ROR is based on the Company's August 31, 2015, capital structure which consisted of 0 percent long-term debt and 100 percent equity. Staff recommends a 9.4 percent return on equity ("ROE").

Q. What is the basis of Staff's ROE recommendation?

A. Staff's ROE recommendation is based on the recent cost of equity analysis and recommendation made by Staff in Docket No. W-02465A-15-0367¹ et al. ("Bella Vista"), a rate case currently pending before the Commission. According to Staff's market-based analysis in that case, the average cost of equity to a water/wastewater utility is 9.4 percent.²

Q. Does this conclude Staff's direct testimony?

A. Yes, it does.

¹ Application of Liberty Utilities (Bella Vista Water) Corp. for a permanent rate increase.

² See surrebuttal testimony of Crystal S. Brown, in Docket No. W-02465A-15-0367 et al.

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE

Chairman

BOB STUMP

Commissioner

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Commissioner

ANDY TOBIN

Commissioner

IN THE MATTER OF THE APPLICATION OF)
BERMUDA WATER COMPANY, AN)
ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE FAIR VALUE)
OF ITS UTILITY PLANT AND PROPERTY AND)
FOR INCREASES IN ITS WATER RATES AND)
CHARGES FOR UTILITY SERVICE BASED)
THEREON.)
_____)

DOCKET NO. W-01812A-15-0421

DIRECT

TESTIMONY

OF

DOROTHY HAINS, P. E.

UTILITIES ENGINEER

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

JULY 26, 2016

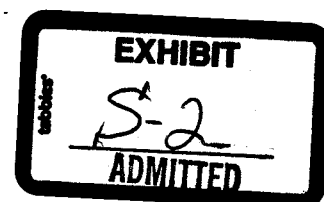


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CONCLUSIONS AND RECOMMENDATIONS	4

EXHIBITS

Engineering Report for Bermuda Water Company	DMH-1
--	-------

1 INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Dorothy Hains. My business address is 1200 West Washington Street, Phoenix,
4 Arizona 85007.

5
6 Q. By whom and in what position are you employed?

7 A. I am employed by the Arizona Corporation Commission ("Commission" or "ACC") as a
8 Utilities Engineer - Water/Wastewater in the Utilities Division.

9
10 Q. How long have you been employed by the Commission?

11 A. I have been employed by the Commission since January 1998.

12
13 Q. What are your responsibilities as a Utilities Engineer - Water/Wastewater?

14 A. My main responsibilities are to inspect, investigate and evaluate water and wastewater
15 systems. This includes obtaining data, preparing reconstruction cost new and/or original cost
16 studies, investigative reports, interpreting rules and regulations, and to suggest corrective
17 action and provide technical recommendations on water and wastewater system deficiencies.
18 I also provide written and oral testimony in rate cases and other cases before the
19 Commission.

20
21 Q. How many companies have you analyzed for the Utilities Division?

22 A. I have analyzed more than 90 companies fulfilling these various responsibilities for
23 Commission Utilities Division Staff ("Staff").

24
25 Q. Have you previously testified before this Commission?

26 A. Yes, I have testified on numerous occasions before this Commission.

1 **Q. What is your educational background?**

2 A. I graduated from the University of Alabama in Birmingham in 1987 with a Bachelor of
3 Science degree in Civil Engineering.

4
5 **Q. Briefly describe your pertinent work experience.**

6 A. Before my employment with the Commission, I was an Environmental Engineer for the
7 Arizona Department of Environmental Quality ("ADEQ") for ten years. Prior to that time, I
8 was an Engineering Technician with C. F. Hains, Hydrology in Northport, Alabama for
9 approximately five years.

10
11 **Q. Please state your professional membership, registrations, and licenses.**

12 A. I have been a registered Civil Engineer in Arizona since 1990. I am a member of the
13 American Society of Civil Engineering, American Water Works Association and Arizona
14 Water Association.

15
16 **PURPOSE OF TESTIMONY**

17 **Q. What was your assignment in this rate proceeding?**

18 A. My assignment was to provide Staff's engineering evaluation for the subject Bermuda Water
19 Corp. ("Bermuda" or "Company") rate proceeding.

20
21 **Q. What is the purpose of your testimony in this proceeding?**

22 A. To present the findings of Staff's engineering evaluation of the Company's operations. The
23 findings are contained in the Engineering Report that I have prepared for this proceeding.
24 The report is included as Exhibit DMH-1 with this pre-filed testimony.

25

1 **ENGINEERING REPORT**

2 **Q. Would you briefly describe what was involved in preparing your Engineering Report**
3 **for this rate proceeding?**

4 A. After reviewing the application, I physically inspected the Company's water system to
5 evaluate its operation and to determine if any plant items were not used and useful. I
6 contacted ADEQ to determine if the water system was in compliance with the Safe Drinking
7 Water Act. I also contacted the Arizona Department of Water Resources ("ADWR") to
8 determine if the water systems are in compliance with ADWR's requirements governing water
9 providers and/or community water systems. After I obtained information from the
10 Company regarding water plant improvements, permits, chemical testing expenses, water
11 usage data, and tariffs, I analyzed that information. Based on all of the above, I prepared the
12 attached Engineering Report for Bermuda.

13
14 **Q. Please describe the information contained in your Engineering Report.**

15 A. The Report is divided into three general sections: 1) *Executive Summary*, 2) *Engineering Report*
16 *Discussion*, and 3) *Engineering Report Exhibits*. *The Engineering Report Discussion* can be further
17 divided into eleven subsections: A) Purpose of Report; B) Location of System; C) Description
18 of System; D) Water Usage; E) Growth Projection; F) Arizona Department of Environmental
19 Quality ("ADEQ") Compliance; G) Arizona Department of Water Resources ("ADWR")
20 Compliance; H) ACC compliance; I) Water Testing Expenses; J) Depreciation Rates; and K)
21 Other Issues. These subsections provide information about the water plants serving the
22 Company.
23

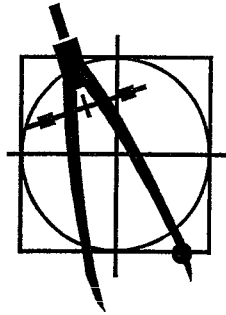
1 **CONCLUSIONS AND RECOMMENDATIONS**

2 **Q. What are Staff's conclusions and recommendations regarding the operations of the**
3 **water system?**

4 **A. Staff's conclusions and recommendations for the Company are contained in the Executive**
5 **Summary of my Engineering Report.**

6
7 **Q. Does this conclude your direct testimony?**

8 **A. Yes, it does.**



Engineering Report
Bermuda Water Company
Prepared By
Dorothy Hains, P. E.

Docket No. W-01812A-15-0421 (Rates)

July 26, 2016

EXECUTIVE SUMMARY

Recommendations:

1. Arizona Corporation Commission ("ACC" or "Commission") Utilities Division Staff ("Staff") recommends estimated annual water testing costs of \$17,999 for Bermuda Water Company, Inc. ("Bermuda" or "Company"). (See §I and Table 4 for discussion and details.)
2. Staff recommends the depreciation rates by individual National Association of Regulatory Utility Commissioners ("NARUC") category, as delineated in Figure 6. (See §J and Figure 6 for a discussion and a tabulation of the recommended rates.)
3. Staff recommends approval of the meter and service line installation charges listed under the columns labeled "Staff Recommendation" in Table 5. (See §K of report for discussion and details.)
4. Staff recommends reclassification of the plant items as shown in Table 6. (See §K for discussion and details.)

Conclusions:

1. A check of the Commission's Compliance Section database dated January 15, 2016 indicated that Bermuda had no delinquent compliance items. (See §H of report for discussion and details.)
2. Bermuda is not located in any Arizona Department of Water Resources ("ADWR") Active Management Area. Staff received a Compliance Status Report from ADWR on January 6, 2016. In the report, ADWR stated that Bermuda is in compliance with departmental requirements governing water providers and/or community water systems. (See §G of report for discussion and details.)
3. In a Compliance Status Report dated January 7, 2016, the Arizona Department of Environmental Quality ("ADEQ") reported that Bermuda had no major deficiencies and was delivering water that met water quality standards required by 40 CFR 141

(National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4. (See §F of the report for discussion and details.)

4. Bermuda has approved Backflow Prevention/Cross Connection, Curtailment and Best Management Practice Tariffs on file with the Commission. (See §K of report for discussion and details.)
5. Bermuda has adequate production and storage capacities to support its existing customer base and reasonable growth. (See §C of report for discussion and details.)
6. Bermuda had 4.88 percent water loss during the test year which is within the allowable limit of 10 percent. (See §D report for discussion and details.)

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A. PURPOSE OF REPORT

On December 30, 2015, Bermuda Water Company ("Bermuda" or "Company") filed a rate increase application. This report was prepared in response to the applications filed by the Company with the Arizona Corporation Commission ("ACC" or "the Commission"). The ACC Utilities Division Staff ("Staff") conducted an engineering review and analysis of the subject application which is presented in this report.

An inspection of the Company's water system was conducted by Dorothy Hains, Staff Engineer, accompanied by Company Representative, James Eason (Vice President, Utilities, Inc.), Debbi Fields (Company's On-site Manager and Operator) and Steve Taylor (Company's Lead Operator) on February 17 and 18, 2016.

B. LOCATION OF THE COMPANY

The Company serves the southern portion of Bullhead City ("Bullhead"). Figure 1 shows the Certificate of Convenience and Necessity ("CC&N") area of approximate 15.5 square-miles and Figure 2 shows the location of the CC&N relative to other regulated water utilities serving in the area.

C. DESCRIPTION OF SYSTEM

I. System Description

The Company is regulated under Arizona Department of Environmental Quality ("ADEQ") Public Water System ("PWS") No. 08-063. The system contains nine active wells, a storage tank system that consists of six storage tanks, two booster pump stations and a gravity flow distribution system to serve approximately 8,400 metered customers. Figures 3A through 3C provide process schematic drawings to show both the active and inactive components of the water system. A detailed plant facility description is as follows:

Table 1 Bermuda Plant Data (PWS No. 08-063)

Active Well Data

ADWR No.	Year Drilled	Casing Size (inches)	Well Depth (ft)	Well Meter Size (inches)	Pump (HP)	Pump Yield (GPM)	Location
55-527191 (Well #1)	1990	20/16	168	8	75	540	Joy Ln (next to Fort Mohave Elementary School)
55-600335 (Well #2)	1966	18	169	8	75	510	Near intersection of El Rodeo Rd & La Riqueze Rd
55-600336 (Well #3)	1964	20	148	4	40	240	Luna Media (near La Entrada Dr), Fort

							Mohave
55-600337 (Well #4)	1967	8	148	6	30	220	4544 HWY 95 (Fort Mohave)
55-806426 (Well #6)	1959	20	180	6	60	450	Joy Ln (near Mountain View Rd)
55-532342 (We #7)	1992	12	160	6	60	450	5759 Wishing Well Dr., Fort Mohave
55-565030 (Well #8)	1998	12	160	6	60	450	1565 El Rodeo Rd., Fort Mohave
55-215335 (Well #9)	2007	16	160	8	60	450	At Loop near La Entrada Pl & La Carro Rd
55-215356 (Well #10)	2013	16	160	8	75	1,000	Next to Los Lagos Golf Course Maintenance building

Storage, Pumping

Location	Structure or equipment	Capacity
Main Tank Site (E El Rodeo Rd) in the BLM land	Four Storage Tanks	500,000 gallons/tank
Arroyo Vista Tank Site (Near Arroyo Vista Rd & Vender Slice Rd) in the State Land	Two Storage Tanks	372,000 gallons/tank
Arroyo Vista Booster Station	pumps	Three 60-HP pumps
Camino Real Booster Station (2247 Sierra Santiago Rd),	pumps	Four 25-HP & two 10-HP pumps

Distribution Mains in Bermuda Water Co. CC&N Area

Diameter (inches)	Material	Length (feet)
2	polyvinyl chloride ("PVC")	1,300
3	PVC	10,200
4	PVC	71,995
6	PVC	449,260
8	PVC	197,968
10	PVC	38,066
12	PVC	53,819
16	PVC	17,300
6	Ductile Iron Pipe ("DIP")	205
8	DIP	124
10	DIP	4,821
12	DIP	232

Meters in Bermuda Water Co. CC&N Area

Size (inches)	Quantity
5/8 x 3/4	7,871
3/4	N/A
1	312
1 1/2	3
2	89
3 (comp)	N/A

3 (Turbo)	36
4 (comp)	1
4 (Turbo)	3
6 (comp)	5
6 (Turbo)	6
8 (comp)	N/A
8 (Turbo)	3

Inactive Well Data

ADWR No.	Year Drilled	Casing Size (inches)	Well Depth (ft)	Well Meter Size (inches)	Pump (HP)	Pump Yield (GPM)	Location
55-532482 (Well #5)	1991	12	250	8	4	230	Near Arroyo Vista Rd & HWY 95 & Bullhead City PKW

II. System Analysis

The Company's water system has a total production capacity of 3,310 gallons per minute ("GPM") and storage capacity of 2,744,000 gallons that are adequate to serve the present customer base and reasonable growth.

D. WATER USAGE

Table 2 summarizes water usage in the Company's service area. Figure 4 is a graph that shows water consumption data in gallons per day ("GPD") per metered customer for the Bermuda system for the test year period of September 2014 through August 2015.

Table 2 Water Usage in Bermuda CC&N Area

Month	Number of Customers	Water Sold (in gallons)	Water purchased (in gallons)	Water pumped (in gallons)	Daily Average (in GPD/customer)
Sep 14	8,241	90,482,000	0	93,816,000	366
Oct 14	8,252	85,028,000	0	88,192,000	332
Nov 14	8,277	81,626,000	0	82,284,000	329
Dec 14	8,295	68,986,000	0	71,301,000	268
Jan 15	8,302	68,797,000	0	70,653,000	267
Feb 15	8,308	65,043,000	0	70,438,000	280
Mar 15	8,315	64,178,000	0	72,209,000	249
Apr 15	8,323	76,807,000	0	82,721,000	308
May 15	8,326	81,404,000	0	87,177,000	315
Jun 15	8,333	83,235,000	0	88,037,000	333
Jul 15	8,341	96,014,000	0	99,551,000	371
Aug 15	8,346	99,018,000	0	99,551,000	383
total		960,618,000	0	1,009,924,000	
Average					317

I. Water Sold

Based on information provided by the Company, the calculated highest use was 383 GPD per customer in August 2015 and the lowest was 249 GPD per customer in March 2015. The average water usage was 317 GPD per customer.

II. Non-account Water

Non-account water should be 10 percent or less. The Company reported 960,618,000 gallons sold and 1,009,924,000 gallons pumped, resulting in a water loss of 4.88 percent. This 4.88 percent is within the acceptable limit of 10 percent.

E. GROWTH PROJECTION

Figure 5 depicts the customer growth using linear regression analysis. The number of service connections was obtained from annual reports submitted to the Commission. At the end of the test year ending August 31, 2015, the Company had 8,361 customers, and it is projected that the Company could have approximately 8,928 customers within a 5-year period ending December 2021. The following table summarizes Staff's projected growth.

Table 3 Actual and Projected Growth in Bermuda Service Area

Year	Nos. of Customers	
2000	4,897	Reported
2001	5,140	Reported
2002	5,267	Reported
2003	5,745	Reported
2004	6,475	Reported
2005	7,173	Reported
2006	7,672	Reported
2007	7,672	Reported
2008	7,672	Reported
2009	8,079	Reported
2010	8,113	Reported
2011	8,131	Reported
2012	8,144	Reported
2013	8,192	Reported
2014	8,281	Reported
2015	8,490	Reported
2016	8,512	Estimated
2017	8,595	Estimated
2018	8,678	Estimated
2019	8,762	Estimated
2020	8,845	Estimated
2021	8,928	Estimated

F. ADEQ COMPLIANCE

Staff received a Compliance Status Report from ADEQ dated January 7, 2016, in which ADEQ stated that Bermuda Water Co. (PWS No. 08-063) has no major deficiencies and is delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code ("A.A.C."), Title 18, Chapter 4.

G. ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") COMPLIANCE

The Company is not located in any of ADWR's Active Management Area. According to ADWR's Water Provider Compliance Status Report, dated January 6, 2016, the Company is in compliance with ADWR's requirements governing water providers and/or community water systems.

H. ACC COMPLIANCE

A check of the Commission's Compliance Section database dated January 15, 2016, indicated that the Company had no delinquent compliance items.

I. WATER TESTING EXPENSES

The Company does not participate in the Monitoring Assistance Program ("MAP") and reported its water testing expense at \$11,609 which included \$1,705 for Unregulated Contaminant Monitoring Rule ("UCMR3")¹ during the test year. The Company uses Mohave Environmental Lab to analyze its water samples. The Company conducted UCMR3 test in 2015. The next phase, UCMR4 begins in 2018 through 2021. Therefore, Staff excluded the UCMR4 testing costs. Staff calculated the annual testing expense at \$17,999 as shown in Table 4. Staff recommends an annual water testing cost of \$17,999 be used for the purpose of this application.

Table 4 Water Testing Cost (Bermuda - PWS #08-063)

Monitoring – 9 wells (8 EPDs) (Tests per 3 years, unless noted.)	Cost per test	No. of tests per three year period	Total cost per three year period	Annual Cost
Bacteriological – (20/month)	\$25	720	\$18,000	\$6,000
Radiochemical Wells #1, 2, 3, 4, 6, 7 & 8– (1/ 3 yr)				
Gross Alpha	\$60	7	\$420	\$140
Uranium	\$165	7	\$1,155	\$385
Radium 228 & Radium 226	\$190	7	\$1,330	\$443
Well #9– (1/9 yr)				
Gross Alpha	\$60	1/3	\$20	\$7

¹ UCMR3 is not an ADEQ requirement.

Uranium	\$165	1/3	\$55	\$18
Radium 228 & Radium 226	\$190	1/3	\$63.3	\$21
Inorganics – Priority Pollutants				
Inorganics Wells #1, 2, 3, 4, 6, 7, 8 & 9– (1/ 3 yr) Metal Preps ² – Wells #1, 2, 3, 4, 6, 7, 8 & 9– (1/ 3 yr)	\$480	8	\$3,840	\$1,280
	\$15	8	\$120	\$40
Lead & Copper (30/3 yr)	\$45	30	\$1,350	\$450
Metal Preps ² (\$15/5 samples) – 30/3yr	\$3	30	\$90	\$30
Nitrites Well #1, 2, 3, 4, 6, 7, 8, 9– (1/9 yr)	\$25	8/3	\$66.7	\$22
Nitrates Wells #1, 2, 3, 4, 6, 7, 8, 9– annual	\$25	24	\$600	\$200
Phase II and V:				
SOC's Wells #1, 2, 3, 4, 6, 7, 8 – (2/3 yr) Well #9 –(4/3yr)	\$1,300	14 4	\$18,200 \$5,200	\$6,067 \$1,733
VOC's Wells #1, 2, 3, 4, 6, 7, 8 – (1/6 yr) Well #9 –(1/yr)	\$175	3.5 3	\$613 \$525	\$204 \$175
Asbestos – per 9 years Wells #1, 2, 3, 4, 6, 7, 8, 9	\$185	8/3	\$493	\$164
TTHM/HHA5 –(2/yr) ¹	\$310	6	\$1,860	\$620
Maximum chlorine residual levels		12		
Total				\$17,999

Note: 1. Mohave Environmental Lab, Inc. charges \$100/sample for testing TTHM and \$210/sample for testing HHA5.

2. Mohave Environmental Lab, Inc. charges \$15/sample for ICP-MS digestion preparation and \$15/5samples for total ICP-MS digestion preparation for lead and copper test cost.

J. DEPRECIATION RATES

The requested depreciation rates are presented in Figure 5 and it is recommended that the Company use these depreciation rates by individual National Association of Regulatory Utility Commissioners category.

K. OTHER ISSUES

I. Service Line and Meter Installation Charges²

The Company did not propose any changes to its existing meter and service line installation charges. Staff has no objection if the Company wants to continue billing its existing charges. Staff recommends continued use of the meter and service line installation charges listed under the columns labeled "Staff Recommendation" in Table 5.

Table 5 Service Line and Meter Installation Charges (Bermuda)

Meter Size (in inch)	Existing Service Line Charge per Decision # 72892	Existing Meter Charge Per Decision # 72892	Existing Total Charge per Decision # 72892	Staff Recommended & Company Proposed Service Line Charge	Staff Recommended & Company Proposed Meter Charge	Staff Recommended & Company Proposed Total Charge
5/8 x 3/4	\$125	\$60	\$185	\$125	\$60	\$185
1	\$180	\$85	\$265	\$180	\$85	\$265
2	\$520	\$317	\$837	\$520	\$317	\$837
3 or larger	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

II. Tariffs

The Company has an approved Curtailment Tariff, Cross Connection & Backflow Prevention Tariff and Best Management Tariff on file with the Commission.

III. Reclassification of Plant Items

The expenses for the following plant items in Table 6 should be reclassified for accounting purposes.³

Table 6 Reclassification for the Plant Items (Bermuda)

Date	Invoice #	Amount (\$)	Plant Item	Vender	Bermuda recorded expenses in NARUC Acct #	Staff recommends reclassification to NARUC Acct #
8/13/09	12488	19,500	On-site generator (@ Shadow Canyon Booster Station)	M & M Water & Well Service	311 (pumping equipment)	310 (Power Generation Equipment)
9-30-09	12498	19,500	On-site generator (@ Shadow	M & M Water & Well Service	311	310

² Service line and meter installation charges are refundable advances.

³ See Company's Response to Staff Data Request #DH9.

			Canyon Booster Station)			
*12-31-12	Ber500-12/12-001A	5,432	On-site generator (@ Well #10)	Gilbert Pump	311	310
*12-31-12	Ber500-12/12-001A	52,636	On-site generator (@ Well #10)	Gilbert Pump	311	310
12-31-12	Ber500-12/12-001A	3,605	Sale tax (6.85%) for On-site generator (@ Well #10)	Gilbert Pump	311	310
*12-6-12	3137	835.2	Survey Well #10 site	ARQ Engineering	311 (pump)	307 (well)
*12-27-12	3138	5,000	Well design (Well #10)	ARQ Engineering	311	307
*12-26-12	61455	3,185	New source testing (Well #10)	Mohave Environmental Lab	311	307
4-2-15	674203	1,250	Review fee (Well #10)	ADEQ	311	307
5-5-15	3822	762.4	Electrical design (Well #10)	ARQ Engineering	311	307
*12-31-12	Ber500-12/12-001A	3,576	Well installation	Gilbert Pump	311	307
*12-31-12	Ber500-12/12-001A	11,515	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	3,164	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	1,294	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	17,700	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	712	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	458	Well installation	Gilbert Pump	311	307
12-31-12	Ber500-12/12-001A	182	Well installation	Gilbert Pump	311	307
7-2-14	2014-185	5,919.56	Install 60' 3 phase underground primary, one 3-Phase 277/480 v transformer	Mohave Electric	311	307
9-3-09	3026145	5,405	3 ton AC (@Shadow Canyon BS)	River Valley Air Conditioning	311	339 (Other Plant & Misc Equipment)
7-31-14	14630	5,784	81'x110'x85'x116' fence, 1-4' walk gate, 1-14' double gate (Well #10)	Ray Dean Fence	311	304 (structure improvement)

12-31-12	Ber500-12/12-001A	2,411	Wood building for the well	Gilbert Pump	311	304
12-31-12	Ber500-12/12-001A	3,743	Wood building for the well	Gilbert Pump	311	304
12-31-12	Ber500-12/12-001A	165.15	Sale tax (6.85%) for Wood building for the well	Gilbert Pump	311	304
*12-31-12	Ber500-12/12-001A	2,286	20 ft 10" DIP	Gilbert Pump	311	331 (Transmission/ mains)
*12-31-12	Ber500-12/12-001A	2,541	Labor to install the 10" DIP	Gilbert Pump	311	331
*12-31-12	Ber500-12/12-001A	156.59	6.85% sale tax (for pipes)	Gilbert Pump	311	331
*12-31-12	Ber500-12/12-001A	833	Chlorine injection assembly	Gilbert Pump	311	320
*12-31-12	Ber500-12/12-001A	229	eyewash	Gilbert Pump	311	320
*12-31-12	Ber500-12/12-001A	72.75	6.85% sale tax (for eyewash & chlorinator)	Gilbert Pump	311	320
1-8-14	3058338	25,506.36	60-HP motor, labor, equip rental (Well #7)	Navajo Pump & Supply	331 (Transmissions, Mains)	311 (pump)
1-16-15	D430560	1,627	2" AR valve	HD Water Works ("HDWW")	333 (Services)	331 (Transmissions, Mains)
8-20-13	223578	815.37	Hydrant replacement	Silver Butte Construction	333	335 (Hydrants)
9-21-12	5486117	589.81	Meter box	HDWW	333	334 (meter)
7-26-13	B257130	891.93	Dual check CASC/meter	HDWW	333	334
9-18-13	B484702	694.18	Meter, valve	HDWW	333	334
4-3-14	C227414	769.26	Meter, valve	HDWW	333	334
6-19-14	C548492	746.85	Meter, valve	HDWW	333	334
10-14-14	D116766	561.77	Meter, valve	HDWW	333	334
11-11-14	D233651	1,787.17	Meter, valve	HDWW	333	334
12-2-14	D297600	1,870.47	Meter, valve	HDWW	333	334
1-23-15	D464367	2,295.81	Meter, valve	HDWW	333	334
5-28-15	D980809	1,809.14	Meter, valve	HDWW	333	334
2-27-15	C093726	1,025.25	Meter, valve	HDWW	333	334
6-5-15	D949564	2,773.74	Meter, valve	HDWW	333	334
6-26-15	E949564	1,406.27	Meter, valve	HDWW	333	334
6-26-15	E127804	1,889.02	Meter, valve	HDWW	333	334

FIGURE 1

Bermuda Certificate Service Area in Mohave County

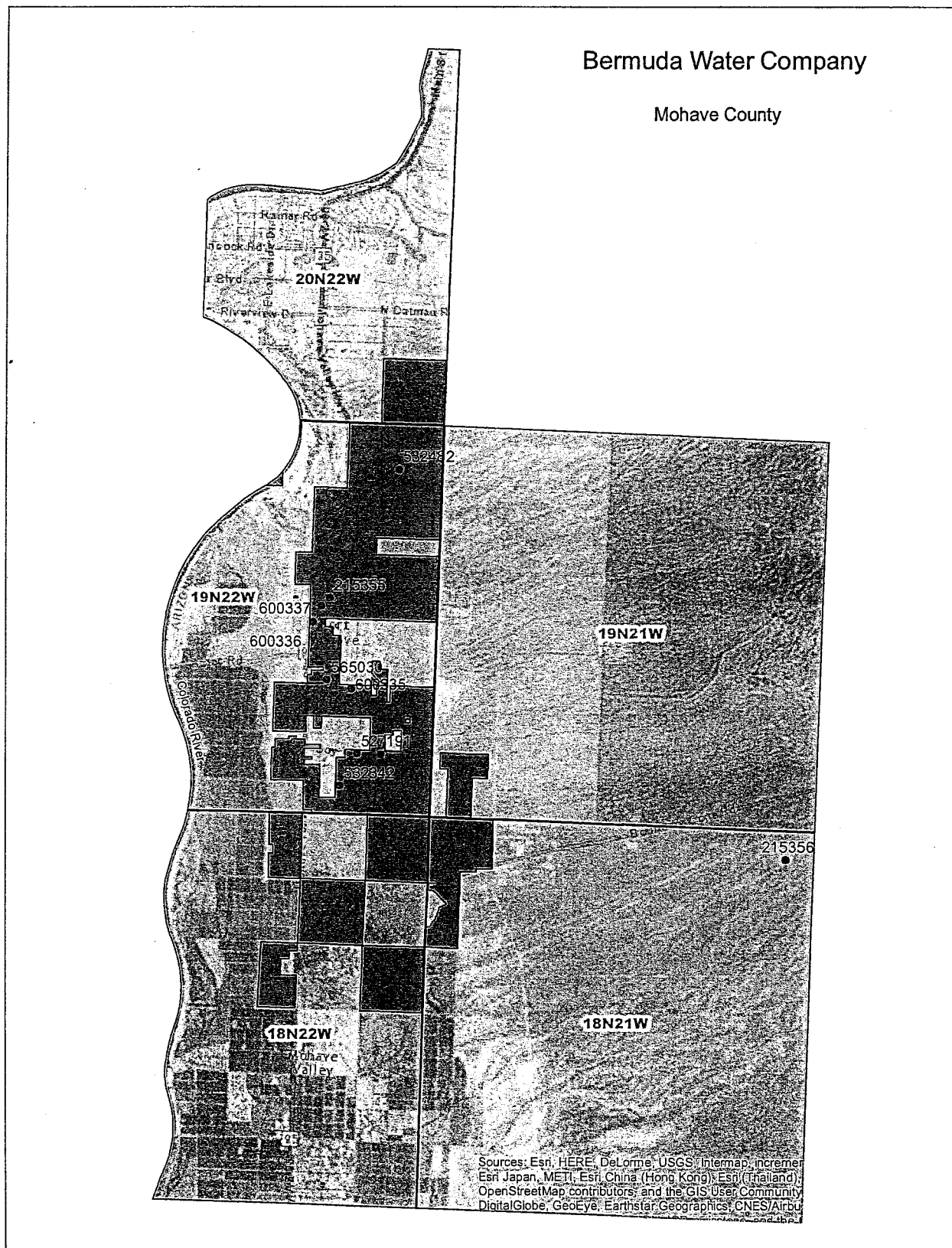


FIGURE 2.

LOCATION OF BERMUDA SERVICE AREA IN MOHAVE COUNTY

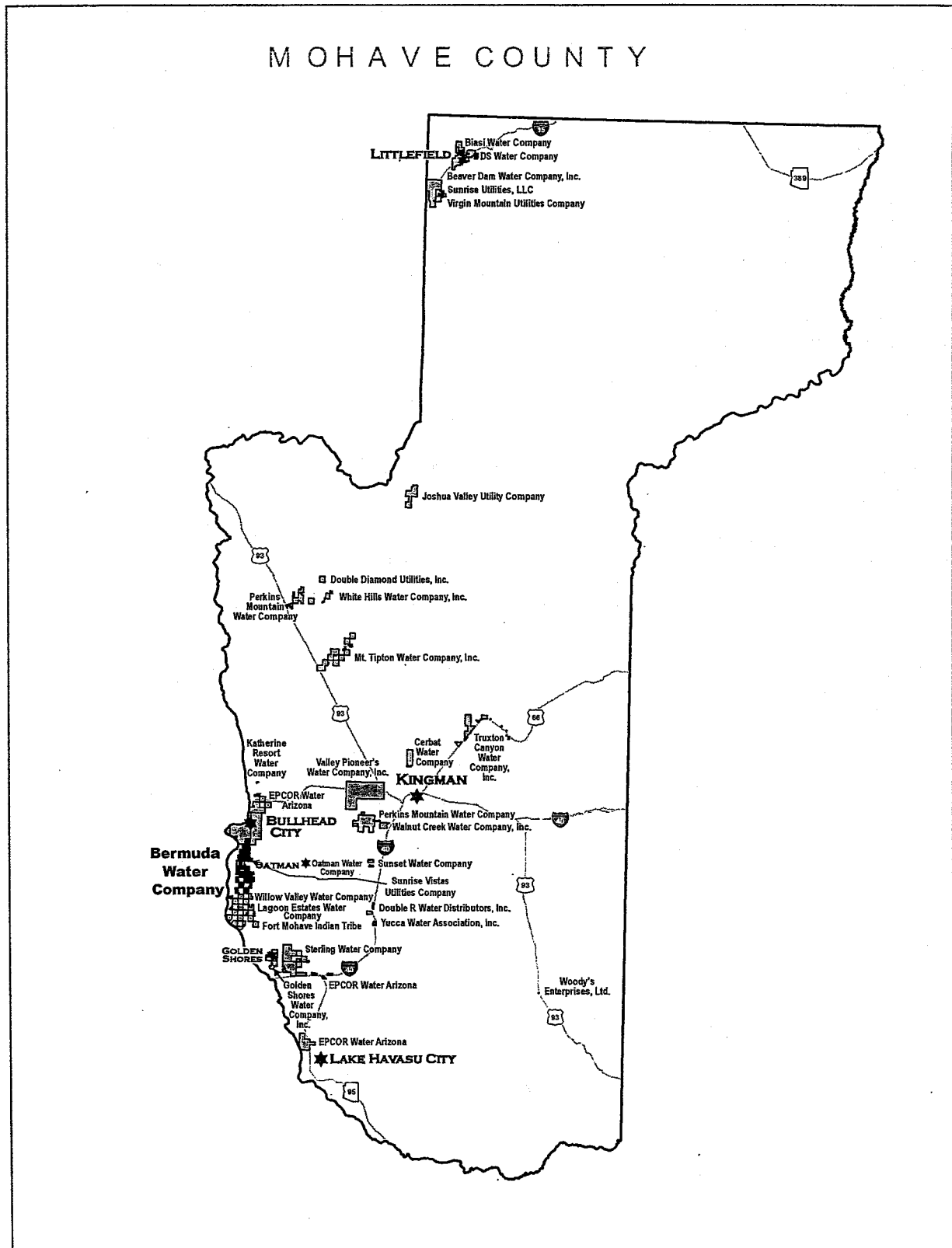


FIGURE 3A SCHEMATIC DRAWING

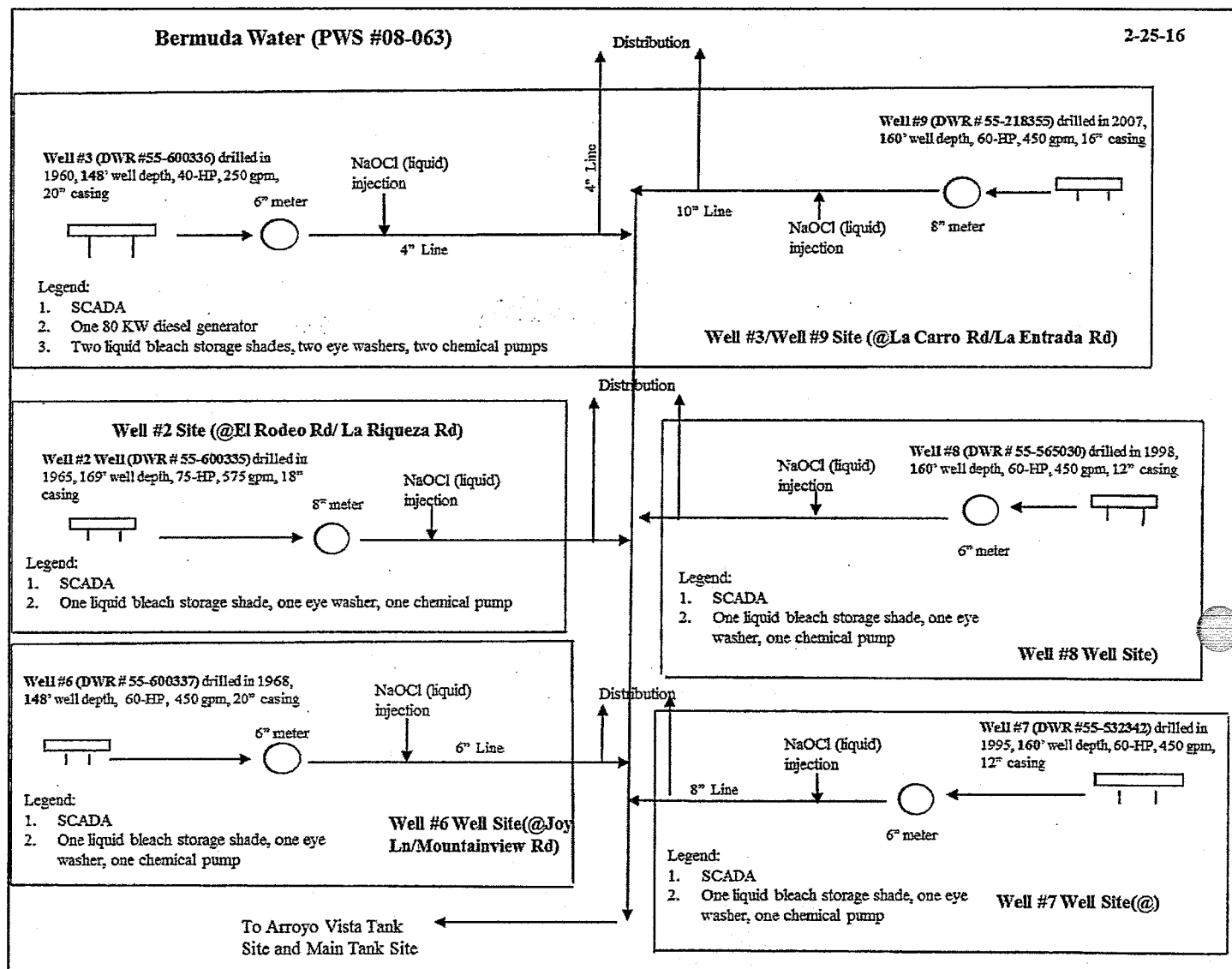


FIGURE 3B SCHEMATIC DRAWING

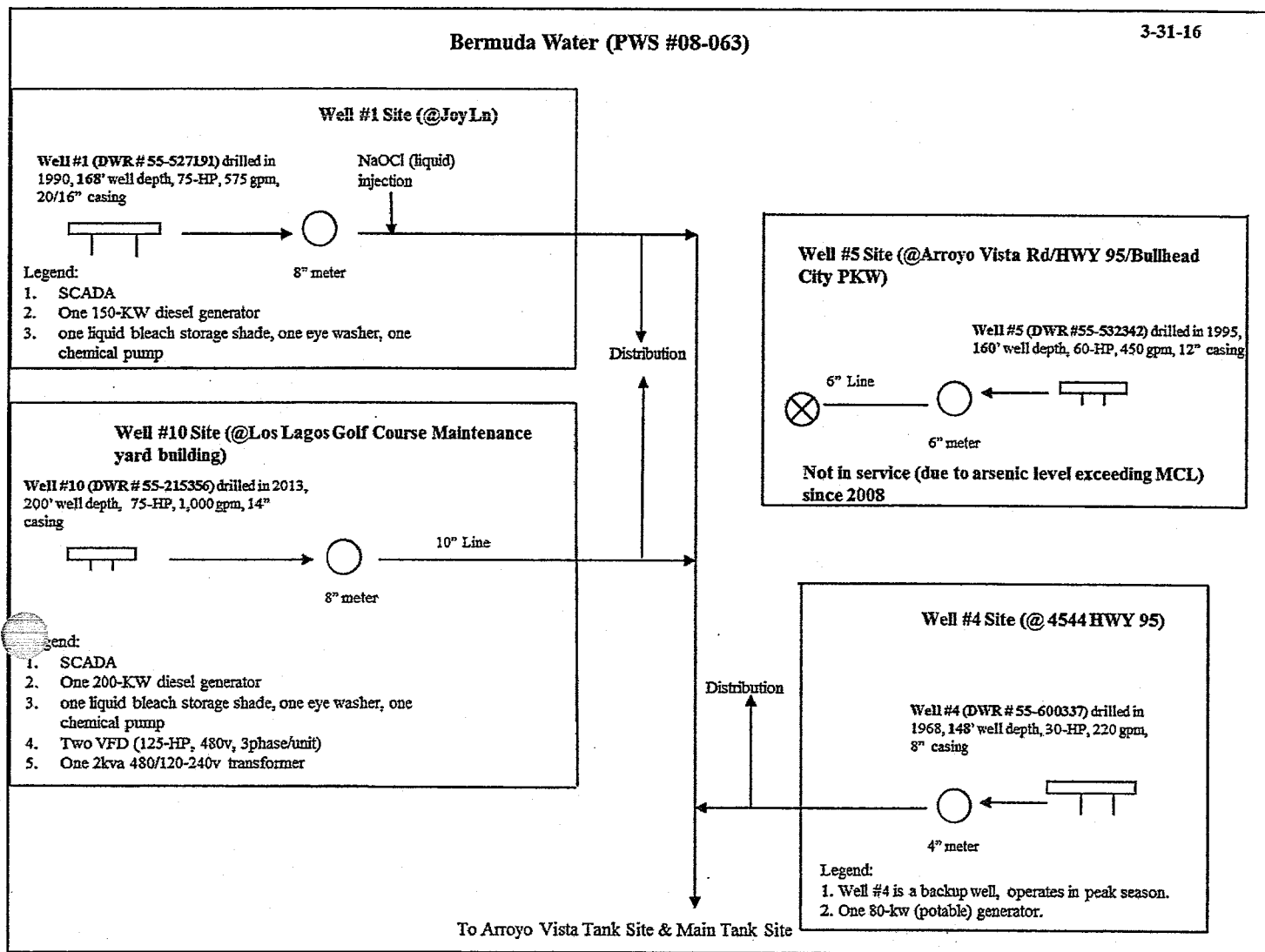


FIGURE 3C SCHEMATIC DRAWING

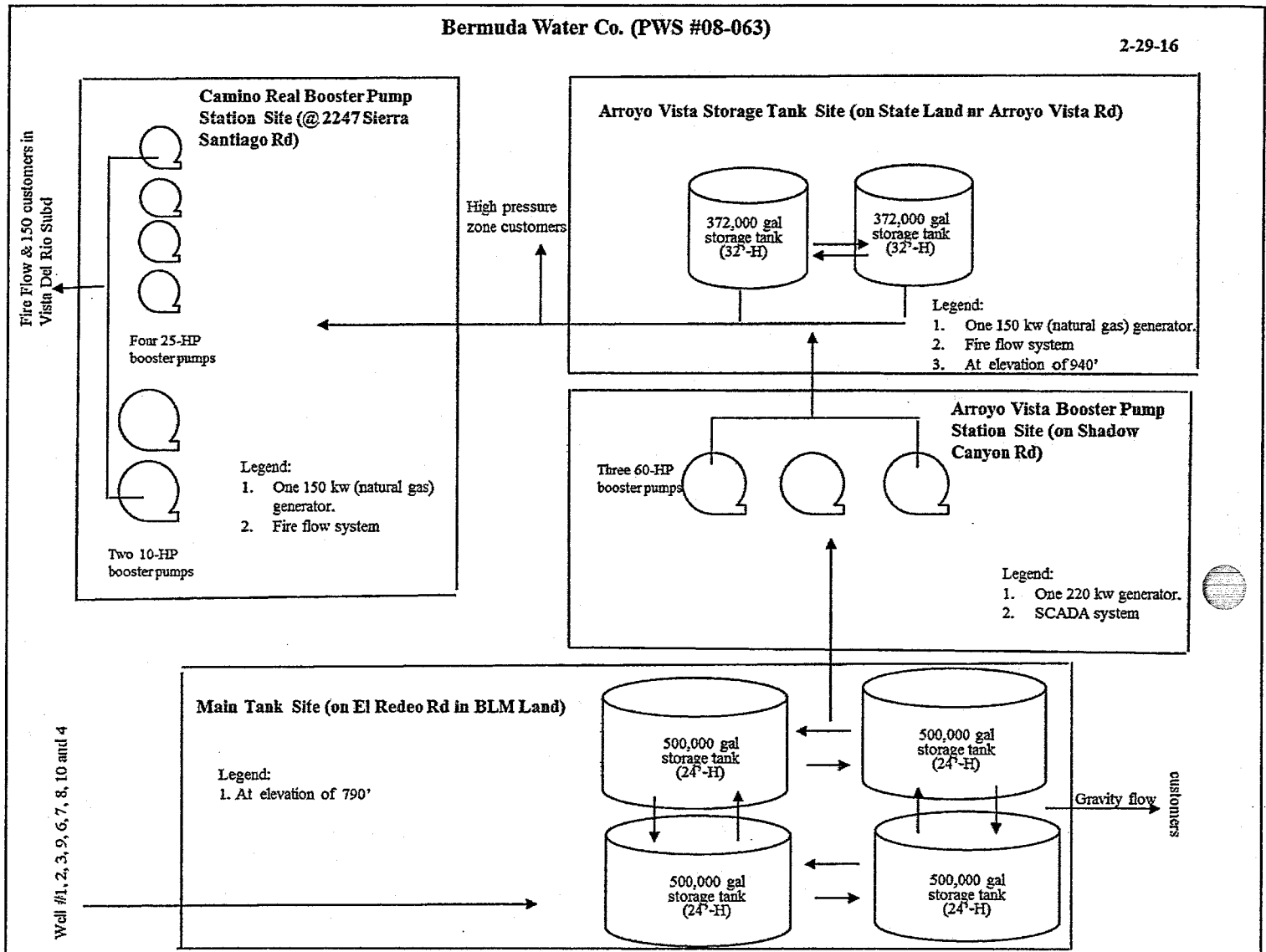


FIGURE 4

WATER USAGE IN BERMUDA SERVICE AREA

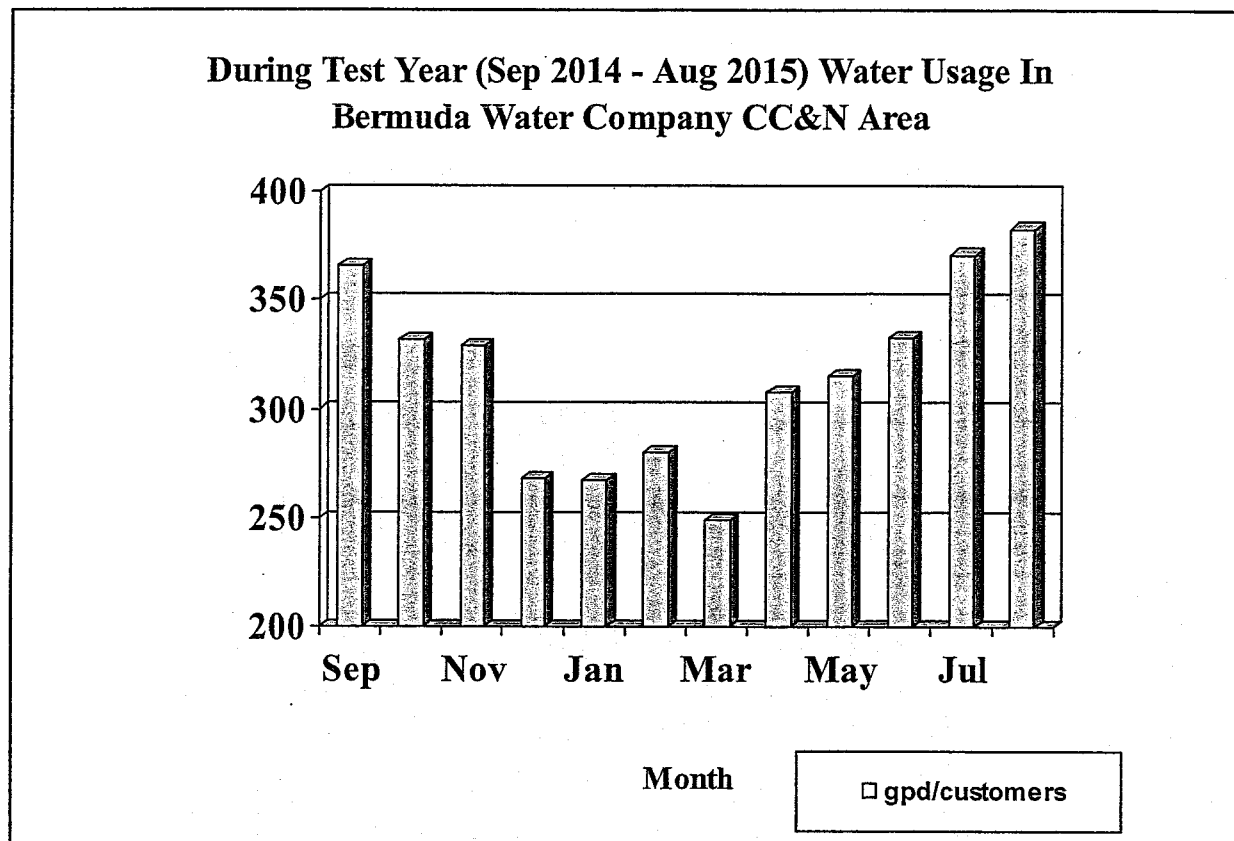


FIGURE 5
GROWTH IN BERMUDA SERVICE AREA

Actual & Projected Growth In Bermuda Water CC&N Area
Water Company CC&N Area

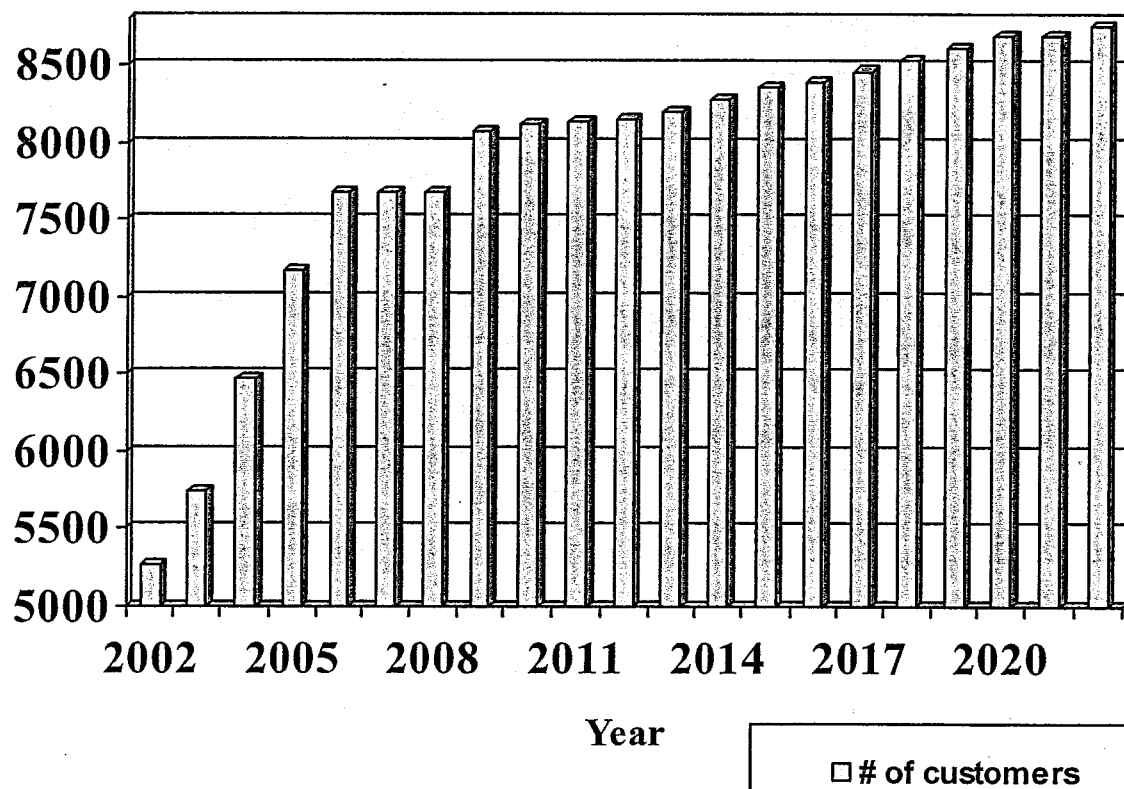


Figure 6 Depreciation Rates (Bermuda)

Acct. No.	JDE Acct. No.	JDE Acct. No.	Depreciable Plant	Approved Rate (%) (Decision # 72892)	Proposed Rate (%)	Staff Recommended Rate (%)
301	301.1	1020	Organization Organization	N/A	n/a	0 0
302	302.1	1025	Franchises Franchises	N/A	n/a	0 0
303	303.3	1035	Land and Land Rights	N/A	0	0
	303.4	1040	Land and Land Rights Water		0	0
	304.5	1045	Land and Land Rights Trans Dist		0	0
			Land and Land Rights Gen Plt		0	0
304	304.2	1050	Structures & Improvements	3.33	n/a	3.33
	304.3	1055	Struct & Imprv Src Supply	N/A	3.33	3.33
	304.5	1175	Struct & Imprv W Treatment Plt	N/A	3.33	3.33
	340.5 ¹	1065	Struct & Imprv Gen Plt	N/A	3.33	3.33
			Office Structures & Improvement	N/A	3.33	3.33
305	305.2	1070	Collecting & Impounding Reservoirs	2.50	n/a	2.50
			Collecting Reservoirs	N/A	2.50	2.50
306	N/A	N/A	Lake, River, And Other Intakes	2.50	n/a	2.50
307	307.2	1080	Wells & Springs	3.33	n/a	3.33
			Wells & Springs	N/A	3.33	3.33
308	N/A	N/A	Infiltration Galleries	6.67	n/a	6.67
309	309.2	1090	Raw Water Supply Mains	2.00	n/a	2.00
			Supply Mains	N/A	2.00	2.00
310	310.2	1095	Power Generation Equipment	5.00	n/a	5.00
			Power Generation Equip	N/A	5.00	5.00
311	311.2	1100	Pumping Equipment	12.5	n/a	12.5
	311.3	1105	Electric Pump Equip SRC Pump	N/A	12.5	12.5
	311.4	1110	Electric Pump Equip WTP	N/A	12.5	12.5
			Electric Pump Equip Trans Dist	N/A	12.5	12.5
320	320.3	1115	Water Treatment Equipment	N/A	N/A	N/A
320.1	N/A	N/A	Water Treatment Plants	3.33	3.33	3.33
320.2	N/A	N/A	Solution Chemical Feeders	20.00	N/A	20.00
320.3	N/A	N/A	Point-of-Use Treatment Devices	N/A	N/A	10.00
330	330.4	1120	Distribution Reservoirs & Standpipes	N/A	2.22	2.22
330.1	N/A	N/A	Dist Resv & Standpipes	2.22	N/A	2.22
330.2	N/A	N/A	Storage Tanks	5.00	N/A	5.00
			Pressure Tanks			
331	331.4	1125	Transmission & Distribution Mains	2.00	n/a	2.00
			Trans & Distr Mains	N/A	2.00	2.00

333			Services	3.33	n/a	3.33
	333.4	1130	Service Lines	N/A	3.33	3.33
334			Meters & Meter Installation	8.33	n/a	8.33
	334.4	1135	Meters	N/A	8.33	8.33
	334.4	1140	Meter Installations	N/A	8.33	8.33
335			Hydrants	2.00	n/a	2.00
	335.4	1145	Hydrants	N/A	2.00	2.00
336	N/A	N/A	Backflow Prevention Devices	6.67	n/a	6.67
339	N/A	N/A	Other Plant & Misc Equipment	6.67	n/a	6.67
340			Office Furniture & Equipment	6.67	N/A	6.67
	340.6	1180	Office Furn & Eqpt	N/A	6.67	6.67
340.1	N/A	N/A	Computers & Software	20.00	N/A	20.00
	340.5	1580	Mainframe Computer Wtr	N/A	N/A	20.00
	340.5	1585	Mini Computers Wtr	N/A	N/A	20.00
	340.5	1590	Computer Sys Cost Wtr	N/A	N/A	20.00
	340.5	1595	Micro Sys Cost Wtr	N/A	N/A	20.00
341			Transportation Equipment	20.00	n/a	20.00
	341.5 ²	1555 ²	Transportation Eqpt WTR	N/A	20.00	20.00
342	N/A	N/A	Stores Equipment	4.00	n/a	4.00
343			Tools, Shop & Garage Equipment	5.00	n/a	5.00
	343.5	1190	Tools, Shop & Misc Equipment	N/A	5.00	5.00
344			Laboratory Equipment	10.00	n/a	10.00
	344.5	1195	Laboratory Equipment	N/A	10.00	10.00
345			Power Operated Equipment	5.00	n/a	5.00
	345.5	1200	Power Operated Equipment	N/A	5.00	5.00
346			Communication Equipment	10.00	n/a	10.00
	346.5	1205	Communication Equipment	N/A	10.00	10.00
347			Miscellaneous Equipment	10.00	n/a	10.00
	347.5	1210	Misc Equipment	N/A	10.00	10.00
348	N/A	N/A	Other Tangible Plant	----	0.00	----

Note:

1. The Company selects "340.5" (JDE's Account No. 1065) as the account number for "Office Structure & Improvement", based on the account description, which is totally different from "Office Furniture & Equipment". Therefore, Staff recommends this account (JDE's Account No. 1065) be listed in Account No. 304.
3. Per the Company's Response to DR #DH 6-4, the Company has no objection to use 20% depreciation rate for NARUC Account No. 341.5 (JDE Account No. 1555).

Bob

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

COPY

IN THE MATTER OF THE APPLICATION OF
BERMUDA WATER COMPANY, AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANTS
AND PROPERTY AND INCREASES IN ITS
WATER RATES AND CHARGES FOR UTILITY
SERVICE BASED THEREON.

DOCKET NO. W-01812A-15-0421

**NOTICE OF FILING
ERRATA CONCERNING STAFF
TESTIMONY**

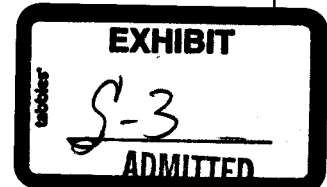
The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby gives notice of the filing of an errata concerning the direct testimony of Staff witness Dorothy Hains, as filed in this docket on July 26, 2016.

Since filing her direct testimony, Ms. Hains discovered that the proposed service line and meter installation charges set forth in Table 5, page 7, of her Engineering Report attached to her direct testimony, were erroneous. Staff's corrected, proposed service line and meter installation charges are contained in a revised Table 5 that Ms. Hains prepared; revised Table 5 is attached hereto as Attachment A. The revised Table 5 in Attachment A hereto replaces, in its entirety, the Table 5 that appears on page 7 of the Engineering Report attached to Ms. Hain's direct testimony.

RESPECTFULLY SUBMITTED this 20th day of September, 2016.



Robert Geake
Matthew Laudone
Attorneys, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402



1 On this 20th day of September, 2016, the foregoing document was filed with Docket Control
2 as a Utilities Division Notice of Errata, and copies of the foregoing were mailed on behalf of the
3 Utilities Division to the following who have not consented to email service. On this date or as soon
as possible thereafter, the Commission's eDocket program will automatically email a link to the
foregoing to the following who have consented to email service.

4 Janice Alward
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10
11
12 By: Monica A. Martinez
13 Monica A. Martinez
Administrator
14
15
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**ATTACHMENT A
TO ERRATA CONCERNING STAFF TESTIMONY
W-01812A-15-0421**

Table 5 Revised Service Line and Meter Installation Charges (Bermuda)

Meter Size (in inch)	Meter & Service Line Installation Charges (per Decision # 72892)	Current Meter Installation Charges	Current Service Line Installation Charges	Current Total Cost	Proposed Service Line installation Charge ¹	Proposed Meter installation Charge ¹	Proposed Total Cost ¹	Staff Recommended (Service Line installation charge)	Staff Recommended (Meter installation charge)	Staff Recommended total charges
5/8 x 3/4	\$185	\$60	\$125	\$185	\$500	\$140	\$640	\$500	\$140	\$640
3/4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1	\$265	\$85	\$180	\$265	\$560	\$290	\$850	\$560	\$290	\$850
1-1/2	n/a	n/a	n/a	n/a	\$560 ²	\$500	\$1,060	\$560	\$500	\$1,060
2	\$837	\$837	\$520	\$837	\$900	\$900	\$1,800	\$900	\$900	\$1,800
3 or larger	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Note: 1. The Company revised its proposed service line installation and meter installation charges on January 6, 2016 via e-mail.
2. The Company revised its proposal on September 20, 2016.

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION OF)
BERMUDA WATER COMPANY, AN ARIZONA)
CORPORATION, FOR A DETERMINATION)
OF THE FAIR VALUE OF ITS UTILITY PLANTS)
AND PROPERTY AND INCREASES IN ITS)
WATER RATES AND CHARGES FOR UTILITY)
SERVICE BASED THEREON.)
_____)

DOCKET NO. W-01812A-15-0421

DIRECT
TESTIMONY
OF
PHAN TSAN
PUBLIC UTILITIES ANALYST
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

JULY 26, 2016

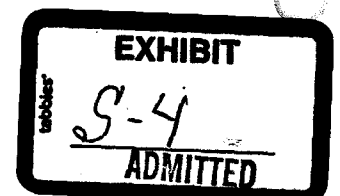


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EXECUTIVE SUMMARY
BERMUDA WATER COMPANY, INC.
DOCKET NO. W-01812A-15-0421

Bermuda Water Company, Inc. ("Company" or "Bermuda") is a certificated Arizona public service corporation providing water service in Mohave County, Arizona. The Company served approximately 7,839 customers during the test year. The current rates for Bermuda were approved in Decision No. 72892, dated February 17, 2012.

Bermuda proposes increasing operating revenues by \$799,416 to produce operating revenues of \$4,298,558 resulting in operating income of \$994,132, or a 22.85 percent increase over test year revenues of \$3,499,142. The Company proposes a 10.00 percent rate of return. The Company also proposes a Fair Value Rate Base ("FVRB") of \$9,941,318 which does not differ from its Original Cost Rate Base. The Company's proposed rates would increase the typical residential bill with a median usage of 5,168 gallons from \$21.09 to \$27.18, for an increase of \$6.10 or 28.91 percent.

Staff recommends increasing operating revenues by \$482,503 to produce operating revenues of \$3,981,645, resulting in operating income of \$898,066, or a 13.79 percent increase over test year revenues of \$3,499,142. Staff recommends a 9.40 percent rate of return. Staff recommends a FVRB of \$9,553,889. Staff's recommended rates would increase the typical residential bill with a median usage of 5,168 gallons from \$21.09 to \$23.45, for an increase of \$2.36 or 11.21 percent.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Phan Tsan. I am a Public Utilities Analyst employed by the Arizona Corporation
4 Commission ("Commission") in the Utilities Division ("Staff"). My business address is 1200
5 West Washington Street, Phoenix, Arizona 85007.
6

7 **Q. Briefly describe your responsibilities as a Public Utilities Analyst.**

8 A. I am responsible for the examination and verification of financial and statistical information
9 included in utility rate applications. In addition, I prepare written reports, testimonies, and
10 schedules that include Staff recommendations to the Commission. I am also responsible for
11 testifying at formal hearings on these matters.
12

13 **Q. Please describe your educational background and professional experience.**

14 A. I received a Bachelor of Science Degree in Finance and Economics and a Master of Science
15 Degree in Accounting from Grand Canyon University. Since joining the Commission, I have
16 participated in numerous rate cases and other regulatory proceedings. I have testified on
17 matters involving regulatory accounting and auditing. Additionally, I have attended the rate
18 school sponsored by the National Association of Regulatory Utility Commissioners
19 ("NARUC") on ratemaking.
20

21 **Q. What is the scope of your testimony in this case?**

22 A. I am presenting Staff's analysis and recommendations in the areas of rate base, operating
23 revenues and expense, revenue requirement, and rate design regarding the application of
24 Bermuda Water Company, Inc. ("Bermuda") for a permanent rate increase.
25
26

1 **Q. Who else is providing Staff testimony and what issues will they address?**

2 A. Staff witness Crystal Brown is presenting Staff's analysis and recommendation for the cost of
3 capital. Ms. Dorothy Hains is presenting Staff's engineering analysis and recommendations.
4

5 **Q. What is the basis of your recommendations?**

6 A. I performed a regulatory audit of the Company's application to determine whether sufficient,
7 relevant, and reliable evidence exists to support the Company's requested rate increase. The
8 regulatory audit consisted of examining and testing the financial information, accounting
9 records, and other supporting documentation and verifying that the accounting principles
10 applied were in accordance with the Commission-adopted NARUC Uniform System of
11 Accounts.
12

13 **BACKGROUND**

14 **Q. Please provide a brief description of Bermuda and the service it provides.**

15 A. Bermuda is a certificated Arizona public service corporation providing water service in Mohave
16 County, Arizona. The Company served approximately 7,839 customers during the test year.
17 The current rates for Bermuda were approved in Decision No. 72892, dated February 17, 2012.
18 On December 29, 2015, Bermuda filed an application requesting a permanent rate increase for
19 the test year ended August 31, 2015. On January 28, 2016, Staff filed a sufficiency letter
20 informing the Company that the application met the sufficiency requirements as outlined in the
21 Arizona Administrative Code ("A.A.C.") R-14-2-103. The Company is classified as a Class B
22 utility. On February 18, 2016, the Company filed an amendment to its application.
23

24 **Q. What are the Company's primary reasons for its requested permanent rate increase?**

25 A. According to the Company, under present rates, the Company is not able to meet its operating
26 costs and earn a reasonable return on its investment in the Bermuda water system.

1 **CONSUMER SERVICE**

2 **Q. Please provide a brief history of customer complaints received by the Commission**
3 **regarding Bermuda.**

4 **A. A review of Consumer Service records reveals the following complaints and/or opinions have**
5 **been filed from January 1, 2013 through June 24, 2016.**

6 2016 – Zero Complaints

7 Two Opinions – Opposed to the proposed rate increase

8 2015 – Zero Complaints

9 2014 – Four Complaints – Three Billing, One Quality of Service

10 2013 – Two Complaints – Two Billing

11 All complaints have been resolved and closed.

12
13 The Company is in good standing with the Corporations Division of the Commission.

14
15 The Company mailed a Customer Notice to its customers on March 14, 2016. An affidavit of
16 mailing was docketed on May 2, 2016.

17
18 **COMPLIANCE**

19 **Q. Please provide a summary of the compliance status of Bermuda.**

20 **A. A check of the Compliance Database indicates that there are currently no delinquencies for**
21 **Bermuda at this time. Therefore, the Company is currently in compliance with the Compliance**
22 **Database.**

23

1 **SUMMARY OF PROPOSED AND RECOMMENDED REVENUES**

2 **Q. Please summarize Bermuda's filing.**

3 A. Bermuda proposes increasing operating revenues by \$799,416 to produce operating revenues
4 of \$4,298,558, or a 22.85 percent increase over test year revenues of \$3,499,142. This will
5 produce an operating income of \$994,132. The Company proposes a 10.00 percent rate of
6 return.

7
8 **Q. Please summarize Staff's recommended revenue.**

9 A. Staff recommends increasing total annual operating revenue by \$482,503 to produce operating
10 revenues of \$ \$3,981,645, or a 13.79 percent, increase over test year revenues of \$3,499,142.
11 This will produce an operating income of \$898,066. Staff recommends a 9.40 percent rate of
12 return, as shown on Schedule PNT-1.

13
14 **Q. Please summarize the rate base adjustments addressed in your testimony.**

15 A. My testimony addresses the following issues:

16 Plant Reclassification – This adjustment has no net effect on rate base but reclassifies plant to
17 the correct accounts.

18
19 Removal of Balance Sheet accounts – This adjustment increases Plant in Service by \$1,833 to
20 remove non-plant in service accounts.

21
22 Accumulated Depreciation – This adjustment increases Accumulated Depreciation by
23 \$194,872.

24

1 Allowance for Cash Working Capital – This adjustment decreases the cash working capital by
2 \$194,390 to reflect the removal of the cash working capital allowance due to the Company's
3 failure to conduct a lead-lag study.

4
5 **Q. Please summarize the operating revenue and expense adjustments addressed in your**
6 **testimony.**

7 **A. My testimony addresses the following issues:**

8 Water Testing Expense - This adjustment increases water testing expense by \$6,390 to reflect
9 Staff's Engineer's recommended annual water testing costs.

10
11 Rate Case Expense – This adjustment decreases rate case expense by \$20,805.

12
13 Depreciation Expense – This adjustment decreases depreciation expense by \$103,646 to reflect
14 application of Staff's recommended depreciation rates to Staff's recommended plant amounts.

15
16 Property Tax Expense – This adjustment decreases property taxes by \$43,396 to reflect
17 application of the modified version of the Arizona Department of Revenue's ("ADOR")
18 property tax methodology which the Commission has consistently adopted.

19
20 Income Tax Expense - This adjustment increases income tax expense by \$58,102 to reflect the
21 income tax calculation on Staff's adjusted test year operating income.

22

1 **RATE BASE**

2 *Rate Base Summary*

3 **Q. Did the Company prepare a schedule showing the elements of Reconstruction Cost**
4 **New Rate Base ("RCNRB")?**

5 A. No, the Company did not. The Company's filing treats the Original Cost Rate Base ("OCRB")
6 as the Fair Value Rate Base ("FVRB").
7

8 **Q. Please summarize Staff's adjustments to the Company's rate base.**

9 A. Staff's adjustments to the Company's rate base result in a net decrease of \$387,429, from
10 \$9,941,318 to \$9,553,889 due to the various adjustments discussed in Staff's testimony, as
11 shown on Schedule PNT-3.
12

13 *Rate Base Adjustment No. 1 – Plant Reclassification.*

14 **Q. What is Staff's recommendation in regard to plant reclassification?**

15 A. Staff recommends increasing Structures and Improvements by \$15,199, Wells and Springs by
16 \$69,762, Power Generated Equipment by \$118,809, Water Treatment Equipment by \$1,425,
17 Meters and Meter Installations by \$19,111, Hydrants by \$815, and Other Plant and
18 Miscellaneous Equipment by \$5,732. Staff also recommends decreasing Electric Pumping
19 Equipment by \$191,679, Transmission and Distribution Mains by \$17,621, and Services by
20 \$21,553, as shown on Schedules PNT-4 and PNT-5. Details of Staff's recommended plant
21 reclassifications are discussed in the Staff Engineering Report.
22

23 **Q. What is the net impact to the plant in service balance?**

24 A. As shown on Schedule PNT-4, Staff's reclassification of plant result in a zero net change to the
25 plant in service balance.
26

1 **Q. Why is correct plant classification needed?**

2 A. Correct classification is needed because Staff is recommending various depreciation rates
3 ranging from 2.0 percent to 20.0 percent depending on the specific account. Reclassification
4 will help ensure that the depreciation expense will be calculated accurately in the future.

5
6 *Rate Base Adjustment No. 2 -- Removal of Balance Sheet Accounts*

7 **Q. Did the Company include balance sheet accounts in utility plant in service?**

8 A. Yes. The Company included account 114. Utility Plant Acquisition Adjustments and Account
9 115. Accumulated Amortization of Utility Plant which are balance sheet accounts that should
10 not be included in Utility Plant in service.

11
12 **Q. What is Staff's recommendation?**

13 A. Staff recommends removing these two accounts from Utility Plant in service which reflect a
14 net total of \$1,833 as shown on Schedules PNT-4 and PNT-6. Staff notes that the materiality
15 of this adjustment is minimal but Staff wants to make the correction so that the schedules
16 reflect correct accounts accurately.

17
18 *Rate Base Adjustment No. 3 -- Accumulated Depreciation*

19 **Q. What did the Company propose for Accumulated Depreciation?**

20 A. The Company proposed \$8,660,552 for Accumulated Depreciation.

21
22 **Q. Did Staff make any adjustments to the Company's proposed Accumulated
23 Depreciation?**

24 A. Yes. Staff recalculated accumulated depreciation for Account No.340 -- Office Furniture and
25 Equipment, Account No.346 - Communication Equipment, and Account No. 341-
26 Transportation Equipment. During the course of its audit, Staff found that the Company did

1 not use correct depreciation rates which were approved in Decision No. 72892, to calculate
2 annual depreciation expense for these accounts. Therefore, Staff recalculated accumulated
3 depreciation expense for these accounts with the correct depreciation rates.

4
5 Staff notes that the Company has been calculating accumulated depreciation on a monthly
6 basis; but Staff's calculation of the accumulated depreciation for these accounts was based on
7 the half-year convention, which treats all plant acquired during the year as being acquired
8 exactly in the middle of the year, since Staff has no knowledge of which month of the year the
9 plant items were placed in service.

10
11 Staff also made some reclassifications to the accumulated depreciation balances for the
12 reclassified accounts Staff recommends, but there is zero net effect to the accumulated
13 depreciation balance.

14
15 **Q. What is Staff's recommendation?**

16 A. Staff recommends increasing accumulated depreciation by \$194,872, as shown on Schedules
17 PNT-3, PNT-4 and PNT-7.

18
19 *Rate base Adjustment No. 4- Allowance for Working Capital*

20 **Q. Did the Company propose including Cash Working Capital in rate base?**

21 A. Yes, the Company proposed \$194,390 for cash working capital, as shown on Schedule PNT-3.

22
23 **Q. How did the Company calculate the cash working capital?**

24 A. The Company used the formula method which equals one-eighth of the operating expenses
25 less depreciation, taxes, purchased water, and purchased power expenses plus one twenty-

1 fourth of purchased water and purchased power expenses. In general, the formula method is
2 appropriate for only class E utilities due to the small size of the utilities.
3

4 **Q. What is the Commission's preferred approach to support a working capital allowance**
5 **for class B utilities?**

6 A. The Commission prefers the lead-lag method to support a working capital allowance for class
7 A to D utilities. The lead-lag study accurately establish the amount of investors' funds used in
8 sustaining utility operations from the time expenditures are made in providing services to the
9 time revenue are received as reimbursement for these services.
10

11 **Q. What is Staff's recommendation?**

12 A. The Company failed to appropriately support for cash working capital allowance; therefore
13 Staff recommends removing \$194,390 from working capital as shown on Schedule PNT-4 and
14 PNT-8.
15

16 **OPERATING INCOME**

17 *Operating Income Summary*

18 **Q. What are the results of Staff's analysis of test year revenues, expenses and operating**
19 **income?**

20 A. As shown on Schedules PNT-9 and PNT-10, Staff's analysis resulted in test year revenues of
21 \$3,499,142, expenses of \$2,897,626, and an operating income of \$601,516.
22

23 *Operating Income Adjustment No. 1 – Water Testing Expense*

24 **Q. What did the Company propose for water testing expense?**

25 A. The Company proposed \$11,609 for water testing expense.
26

1 Q. What is Staff's recommendation?

2 A. Staff recommends an annual amount of \$17,999 for water testing expenses, an increase of
3 \$6,390 as shown on Schedule PNT-10 and Schedule PNT-11. Details of water testing expenses
4 are discussed in the Staff Engineering Report.
5

6 *Operating Income Adjustment No. 2 – Rate Case Expense*

7 Q. What did the Company propose for Rate Case Expense?

8 A. The Company proposed an annual rate case expense of \$75,867. This proposed number
9 includes two components. The Company proposed \$182,958 for this rate case expense,
10 normalized over 3 years, which is \$60,986 annually, and also proposed to include \$14,881 from
11 the prior rate case expense.
12

13 Q. What is Staff's recommendation?

14 A. Staff recommends a rate case expense of \$165,185, normalized over 3 years as shown on
15 Schedules PNT-10 and PNT-12. In response to Staff's data request PT 11-1, the Company
16 stated that the employees involved in this rate case work are salaried employees, and there are
17 no overtime expenses. Therefore, Staff removed the estimated charges to the two direct
18 employees of Bermuda because their salaries and wages have already been included in salaries
19 and wages expense. Staff also removed the \$14,881 from the prior rate case expense since it
20 was already fully recovered.
21

22 *Operating Income Adjustment No. 3 – Depreciation Expense*

23 Q. What did the Company propose for Depreciation Expense?

24 A. The Company proposed \$850,872 for Depreciation Expense.
25

1 **Q. What is Staff's recommendation?**

2 A. Staff recommends decreasing depreciation expense by \$103,646 from \$850,872 to \$747,226, as
3 shown on Schedules PNT-10 and PNT-13. Staff's recommended depreciation expense is based
4 on Staff's recommended Plant balance and Staff's recommended depreciation rates.
5

6 *Operating Income Adjustment No. 4 – Property Tax Expense*

7 **Q. What did the Company propose for Property Tax Expense?**

8 A. The Company proposed \$194,623 for Property Tax Expense.
9

10 **Q. What is Staff's recommendation?**

11 A. Staff recommends decreasing property taxes by \$43,396, from \$194,623 to \$151,227. Staff
12 calculated the Property Tax Expense using the modified ADOR Methodology applied to Staff's
13 adjusted revenues, as shown on Schedules PNT-10 and PNT- 14.
14

15 *Operating Income Adjustment No. 5 – Income Taxes*

16 **Q. What did the Company propose for Income Tax Expense?**

17 A. The Company proposed \$304,814 for income tax expense.
18

19 **Q. What is Staff's recommendation?**

20 A. Staff recommends increasing income tax expense by \$58,102, from \$304,814 to \$362,916 as
21 shown on Schedules PNT-2, PNT-10 and PNT-15. Staff's adjustment reflects Staff's
22 calculation of the income tax expense based upon Staff's adjusted test year taxable income.
23

REVENUE REQUIREMENT

Q. What did the Company propose for an increase in Operating Revenue?

A. The Company proposed increasing operating revenue by \$799,416, from \$3,499,142 to \$4,298,558, as reflected on Schedule PNT-1

Q. What does Staff recommend for an increase in Operating Revenues?

A. Staff recommends a \$482,503 increase in operating revenues, from \$3,499,142, to \$3,981,645, as reflected on Schedule PNT-1.

Q. How does the above revenue requirement translate to the bottom line, or available operating income, for the Company?

A. The Company's requested revenue requirement of \$4,298,558 results in an operating income level of \$994,132 which is also a 10.00 percent rate of return. Staff's recommended revenue requirement of \$3,981,645 results in an operating income level of \$898,066 which is also a 9.4 percent rate of return.

COST OF CAPITAL

Q. Did the Company request a revenue requirement based on a rate of return?

A. Yes. The Company proposed a cost of capital of 10.00 percent.

Q. How did the Company perform its Cost of Capital analysis?

A. The Company's application stated that in an effort to keep rate case expense reasonable, the Company chose not to hire a rate of return expert. Instead, the Company relied on returns on equity that the Commission has granted to other water utilities sharing a similar customer size and risk profile. The Company requested a return on equity ("ROE") of 10.00 percent. Since

1 the Company has no debt, the equity ratio is 100.00 percent; therefore, the formula will also
2 result in a 10.00 percent rate of return ("ROR") on rate base.
3

4 **Q. What is Staff's recommended ROR in this case?**

5 A. Staff recommends a 9.40 ROR. Details of Staff's recommended ROR are discussed in Staff
6 witness Crystal Brown's direct testimony.
7

8 **RATE DESIGN**

9 **Q. Has Staff prepared a schedule summarizing the present, Company's proposed, and**
10 **Staff's recommended rates and service charges?**

11 A. Yes. Schedule PNT-17 provides a summary of the Company's present, Company's proposed,
12 and Staff's recommended rates.
13

14 **Q. Please summarize the Company's present rate design.**

15 A. Customer class is distinguished by meter size. The monthly minimum charges vary by meter
16 size and include no gallons. The commodity rates for 5/8 x 3/4 inch and 3/4 inch residential
17 is \$1.25 per thousand gallons for zero to 3,000 gallons, \$2.00 per thousand gallons for 3,001 to
18 9,000 gallons, and \$3.12 per thousand gallons for any consumption over 9,000 gallons. The
19 larger residential and commercial classes' commodity break-over points vary by meter size with
20 a \$2.00 per thousand gallons first-tier commodity rate and a \$3.12 per thousand gallons
21 commodity rate for any consumption over the first tier. The present rate design also has
22 charges for Construction, Irrigation, School and Wholesale service.
23

24 **Q. Please summarize the Company's proposed rate design.**

25 A. Customer class is distinguished by meter size. The monthly minimum charges vary by meter
26 size and include no gallons. The commodity rates for 5/8 x 3/4 inch and 3/4 inch residential

1 is \$1.42 per thousand gallons for zero to 3,000 gallons, \$2.27 per thousand gallons for 3,001 to
2 9,000 gallons, and \$3.55 per thousand gallons for any consumption over 9,000 gallons. The
3 larger residential and commercial classes' commodity break-over points vary by meter size with
4 a \$2.27 per thousand gallons first-tier commodity rate and a \$3.55 per thousand gallons
5 commodity rate for any consumption over the first tier. The Company's proposed rate design
6 also has charges for Construction, Irrigation, School and Wholesale service.
7

8 **Q. Please summarize Staff's recommended rate design.**

9 A Customer class is distinguished by meter size. The monthly minimum charges vary by meter
10 size and include no gallons. The commodity rates for 5/8 x 3/4 inch and 3/4 inch residential
11 is \$1.25 per thousand gallons for zero to 3,000 gallons, \$2.40 per thousand gallons for 3,001 to
12 9,000 gallons, and \$3.80 per thousand gallons for any consumption over 9,000 gallons. The
13 larger residential and commercial classes' commodity break-over points vary by meter size with
14 a \$2.40 per thousand gallons first-tier commodity rate and a \$3.80 per thousand gallons
15 commodity rate for any consumption over the first tier. The present rate design also has
16 charges for Construction, Irrigation, School and Wholesale service.
17

18 **Q. What is the rate impact on a typical 5/8 x 3/4 inch meter residential customer?**

19 A. The Company's proposed rates would increase the typical 5/8-inch meter residential bill with
20 median usage of 5,168 gallons from \$21.09 to \$27.18, for an increase of \$6.10 or 28.91 percent.
21 Staff's recommended rates would increase the typical 5/8-inch meter residential bill with a
22 median usage of 5,168 gallons from \$21.09 to \$23.45, for an increase of \$2.36 or 11.21 percent.
23

1 Q. What is the Company's rate structure under current rates, Company's proposed rates
2 and Staff's recommended rates?

3 A. Under current rates, approximately 59.99 percent of total annual metered water revenues would
4 come from the monthly minimum and the First Tier commodity charge, 20.57 percent is from
5 the Second Tier commodity charge and 19.44 percent is from the Third Tier commodity charge.

6
7 Under the Company's proposed rates, approximately 65.06 of total annual metered water
8 revenues would come from the monthly minimum and the First Tier commodity charge, 17.94
9 percent is from the Second Tier commodity charge and 16.99 percent is from the Third Tier
10 commodity charge.

11
12 Under Staff's recommended rates, approximately 59.66 percent of total annual metered water
13 revenues comes from the monthly minimum and the First Tier commodity charge, 20.62
14 percent is from the Second Tier commodity charge and 19.72 percent is from the Third Tier
15 commodity charge.

16
17 *Meter and Service Line Installation Charges*

18 Q. Did the Company propose any changes to its Meter and Service Line Installation
19 Charges?

20 A. No. The Company proposed no changes to its Meter and Service Line Installation Charges.
21

22 Q. What is Staff's recommendation?

23 A. Staff recommends no changes.
24

1 *Service Charges*

2 **Q. What did the Company propose for the other service charges?**

3 **A. The Company proposed the following:**

4 Establishment – The Company has proposed no change in its current \$35 Establishment
5 charge.

6
7 Meter Test Performed by Company (if correct) – The Company has proposed no change in its
8 \$20 Meter Test charge

9
10 Meter Test Performed by Outside Vendor (if correct) – The Company has proposed a \$5
11 increase in this charge from \$25 to \$30.

12
13 Meter Re-read (if correct) – The Company has proposed a \$15 increase in its Meter Re-read
14 charge from \$5 to \$20.

15
16 Deposit – The Company has proposed no change for the deposit charge.

17
18 Deposit Interest – The Company has proposed no change for the deposit interest charge.

19
20 Reconnection Delinquent – The Company has proposed no change in its \$50 Reconnection
21 Delinquent charge.

22
23 NSF Check Charge – The Company has proposed an increase in its NSF Check Charge to \$25.
24 The current NSF Charge is \$15.

25

1 Deferred Payment (per month) – The Company has proposed no change in its Deferred
2 Payment of 1.5 percent per month charge.

3
4 Late Payment Penalty – The Company has proposed no change in its Late Payment Penalty of
5 1.5 percent per month charge.

6
7 After Hours Service Charge – The Company has proposed no change in its After Hours Service
8 Charge of \$30.

9
10 Construction Re-Establishment Fee – The Company proposed to establish a new fee called
11 Construction Re-Establishment Fee charge. This charge is calculated by multiplying the base
12 rate by the number of vacant months between usages.

13
14 Compromised Meter Lock – The Company has proposed an increase from the current charge
15 of \$15 to a new rate of \$45.

16
17 **Q. What is Staff's recommendation?**

18 **A. Staff recommends the following:**

19 Establishment – Staff agrees with the Company's proposed no change.

20
21 Meter Test Performed by Company (if correct) – Staff agrees with the Company's proposed
22 no change.

23
24 Meter Test Performed by Outside Vendor (if correct) – The Company was advised that Staff
25 performs meter tests on 5/8 x 3/4 – inch meters at no charge. Staff recommends denial of the
26 increase.

1 Meter Re-read (if correct) – Staff recommends \$10 for a Meter Re-read charge.

2
3 Deposit – Staff agrees with the Company's proposed no change.

4
5 Deposit Interest – Staff agrees with the Company's proposed no change.

6
7 Reconnection Delinquent – Staff recommends the current Reconnection Delinquent charge.

8
9 NSF Check Charge – Staff agrees with the Company's proposed increase to \$25.

10
11 Deferred Payment (per month) – Staff agrees with the Company's proposed no change.

12
13 Late Payment Penalty – Staff recommends a Late Payment Penalty charge of 1.5% per month
14 or \$5 whichever is greater. The Company averages 830 late payments per month and Staff
15 recommends the addition of the \$5 as a deterrent to the large number of late payments.

16
17 After Hours Service Charge – Staff agrees with the Company's proposed no change.

18
19 Construction Re-Establishment Fee – Staff recommends denial of this charge. Staff suggested
20 a policy change regarding construction meters. The Company agreed to review the suggestion
21 and implement a new construction meter policy that will replace the need for this requested
22 fee.

23
24 Compromised Meter Lock – Staff recommends that the current rate of \$15 remain the same.
25 Details of Staff's recommended service charges are shown on Schedule PNT-18.
26

1 Q. Does this conclude your direct testimony?

2 A Yes, it does.

Bermuda Water Company
Docket No. W-01812A-15-0421
Test Year Ended August 31, 2015

Schedule PNT-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A]		[B]	
		COMPANY ORIGINAL COST		STAFF ORIGINAL COST	
1	Adjusted Rate Base	\$	9,941,318	\$	9,553,889
2	Adjusted Operating Income (Loss)	\$	498,160	\$	601,516
3	Current Rate of Return (L2 / L1)		5.01%		6.30%
4	Required Rate of Return		10.00%		9.40%
5	Required Operating Income (L4 * L1)	\$	994,132	\$	898,066
6	Operating Income Deficiency (L5 - L2)	\$	495,972	\$	296,550
7	Gross Revenue Conversion Factor		1.6118		1.6271
8	Required Revenue Increase (L7 * L6)	\$	799,416	\$	482,503
9	Adjusted Test Year Revenue	\$	3,499,142	\$	3,499,142
10	Proposed Annual Revenue (L8 + L9)	\$	4,298,558	\$	3,981,645
11	Required Increase in Revenue (%)		22.85%		13.79%

References:

Column (A): Company Schedule B-1

Column (B): Schedule PNT-2, PNT-3, &PNT-9

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Tax Rate (Line 17) + Property Tax Factor (Line 22)	38.5394%			
5	Subtotal (L3 - L4)	61.4606%			
6	Revenue Conversion Factor (L1 / L5)	1.6271			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	37.6300%			
9	One Minus Combined Income Tax Rate (L7 - L8)	62.3700%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0			
<u>Calculation of Effective Tax Rate:</u>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	5.5000%			
14	Federal Taxable Income (L12 - L13)	94.5000%			
15	Applicable Federal Income Tax Rate (Line 44)	34.0000%			
16	Effective Federal Income Tax Rate (L14 * L15)	32.1300%			
17	Combined Federal and State Income Tax Rate (L13 + L16)	37.6300%			
<u>Calculation of Effective Property Tax Factor:</u>					
18	Unity	100.0000%			
19	Combined Federal and State Tax Rate (Line 17)	37.6300%			
20	One Minus Combined Income Tax Rate (L18 - L19)	62.3700%			
21	Property Tax Factor (PNT-18, L25)	1.4580%			
22	Effective Property Tax Factor (L 21 * L 22)	0.90935%			
23	Combined Federal and State Tax and Property Tax Rate (L17+L22)		38.5394%		
24	Required Operating Income (Schedule PNT-1, Line 5)	\$ 898,066			
25	Adjusted Test Year Operating Income (Loss) (Schedule PNT-1, Line 2)	\$ 601,516			
26	Required Increase in Operating Income (L24 - L25)		\$ 296,550		
27	Income Taxes on Recommended Revenue (Col. (D), L52)	\$ 541,834			
28	Income Taxes on Test Year Revenue (Col. (B), L52)	\$ 362,916			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 178,919		
30	Recommended Revenue Requirement (Schedule PNT-1, Line 10)	\$ 3,981,645			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		\$ -		
35	Property Tax with Recommended Revenue (PNT-14, L19)	\$ 158,261			
36	Property Tax on Test Year Revenue (PNT-14, L 16)	\$ 151,227			
37	Increase in Property Tax Due to Increase in Revenue (PNT-14, L21)		\$ 7,035		
38	Total Required Increase in Revenue (L26 + L30 + L34+L37)		\$ 482,503		
<u>Calculation of Income Tax:</u>					
39	Revenue (Schedule PNT-1, Line 9 & Line 10)	\$ 3,499,142			
40	Operating Expenses Excluding Income Taxes	2,534,711			
41	Synchronized Interest (L47)	-			
42	Arizona Taxable Income (L36 - L37- L38)	\$ 964,431			
43	Arizona State Income Tax Rate	5.5000%			
44	Arizona State Income Tax (L39 * L40)		\$ 53,044		\$ 79,194
45	Federal Taxable Income (L33 - L35)	911,388			
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	7,500			7,500
47	Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%	6,250			6,250
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	8,500			8,500
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	91,650			91,650
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	195,972			348,740
51	Total Federal Income Tax	\$ 309,872			\$ 462,640
52	Combined Federal and State Income Tax (L35 + L42)	\$ 362,916			\$ 541,834
53	Applicable Federal Income Tax Rate [Col. (D), L42 - Col. (B), L42] / [Col. (C), L36 - Col. (A), L36]				34.00%
<u>Calculation of Interest Synchronization:</u>					
54	Rate Base (Schedule PNT-3, Col. [C], Line (24))	\$ 9,553,889			
55	Weighted Average Cost of Debt	0.00%			
56	Synchronized Interest (L45 X L46)	\$ -			

STAFF

Recommended

\$ 3,981,645

2,541,746

-

\$ 1,439,900

5.5000%

\$ 1,360,705

7,500

6,250

8,500

91,650

\$ 348,740

\$ 309,872

\$ 362,916

\$ 541,834

34.00%

RATE BASE - ORIGINAL COST/FAIR VALUE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	Plant in Service	\$ 24,392,287	\$ 1,833	\$ 24,394,120
2	Less: Accumulated Depreciation	8,660,552	194,872	8,855,424
3	Net Plant in Service	<u>\$ 15,731,735</u>	<u>\$ (193,039)</u>	<u>\$ 15,538,696</u>
4				
5	<u>LESS:</u>			
6				
7	Contribution in Aid Of Construction (CIAC)	\$ 5,282,390	-	\$ 5,282,390
8	Less: Accumulated Amortization	2,997,007	-	2,997,007
9	Net CIAC	<u>\$ 2,285,383</u>	<u>\$ -</u>	<u>\$ 2,285,383</u>
10				
11	Advances in Aid of Construction (AIAC)	2,564,835	-	2,564,835
12				
13	Customer Deposits	105,421	-	105,421
14				
15	Deferred Income Tax Credits	1,029,168	-	1,029,168
16				
17	Total Deductions	<u>\$ 5,984,807</u>	<u>\$ -</u>	<u>\$ 5,984,807</u>
18				
19	<u>ADD:</u>			
20				
21	Allowance for Working Capital	194,390	(194,390)	-
22				
23				
24	Original Cost Rate Base	<u>\$ 9,941,318</u>	<u>\$ (387,429)</u>	<u>\$ 9,553,889</u>

References:

Column (A), Company Schedule B-1

Column (B): Schedule PNT-4

Column (C): Column (A) + Column (B)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	ACCT. NO.	DESCRIPTION	[A]	[B]	[C]	[D]	[E]	[F]
			COMPANY AS FILED	Plant Reclassification ADJ #1	Non-plant accounts ADJ #2	Acc. Depreciation ADJ #3	Working Capital ADJ #4	STAFF ADJUSTED
PLANT IN SERVICE:								
1	301	Organization Costs	\$ 348,545	\$ -	\$ -	\$ -	\$ -	\$ 348,545
2	302	Franchise Costs	37,834	-	-	-	-	37,834
3	303	Land & Land Rights	157,482	-	-	-	-	157,482
4	304	Structures & Improvements	864,103	15,199	-	-	-	879,302
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-
7	307	Wells & Springs	1,826,504	69,762	-	-	-	1,896,266
8	308	Infiltration Galleries	-	-	-	-	-	-
9	309	Supply Mains	197,949	-	-	-	-	197,949
10	310	Power Generated Equipment	-	118,809	-	-	-	118,809
11	311	Electric Pumping Equipment	2,173,125	(191,679)	-	-	-	1,981,446
12	320	Water Treatment Equipment	315,161	1,425	-	-	-	316,586
13	320.1	Water Treatment Plants	-	-	-	-	-	-
14	320.2	Solutions & Feeders	-	-	-	-	-	-
18	330	Distribution Reservoirs & Standpipes	1,362,515	-	-	-	-	1,362,515
19	330.1	Storage Tank	-	-	-	-	-	-
20	330.2	Pressure Tanks	-	-	-	-	-	-
23	331	Transmission & Distribution Mains	9,540,976	(17,621)	-	-	-	9,523,355
24	333	Services	4,783,249	(21,553)	-	-	-	4,761,696
25	334	Meters & Meter Installations	1,215,554	19,111	-	-	-	1,234,665
26	335	Hydrants	837,212	815	-	-	-	838,027
27	336	Backflow Prevention Devices	-	-	-	-	-	-
28	339	Other Plant & Misc. Equip.	-	5,732	-	-	-	5,732
29	340	Office Furniture & Fixtures	190,973	-	-	-	-	190,973
30	340.1	Computer & Software	124,769	-	-	-	-	124,769
31	341	Transportation Equipment	264,620	-	-	-	-	264,620
32	342	Store Equipment	-	-	-	-	-	-
33	343	Tools & Work Equipment	105,511	-	-	-	-	105,511
34	344	Laboratory Equipment	2,540	-	-	-	-	2,540
35	345	Power Operated Equipment	14,162	-	-	-	-	14,162
36	346	Communications Equipment	26,181	-	-	-	-	26,181
37	347	Miscellaneous Equipment	5,154	-	-	-	-	5,154
38	114	Utility Plant Acquisition Adjustments	(1,897)	-	1,897	-	-	-
39	115	Acquisition	64	-	(64)	-	-	-
40		Rounding	1	-	-	-	-	1
41		Gross Utility Plant in Service	\$ 24,392,287	\$ -	\$ 1,833	\$ -	\$ -	\$ 24,394,120
42		Less: Accumulated Depreciation	8,660,552	-	-	194,872	-	8,855,424
43		Net Utility Plant in Service	\$ 15,731,735	\$ -	\$ 1,833	\$ (194,872)	\$ -	\$ 15,538,696
44								
45		DEDUCTIONS						
46		Contributions in Aid of Construction (CIAC)	\$ 5,282,390	\$ -	\$ -	\$ -	\$ -	\$ 5,282,390
47		Less: Accumulated Amortization	2,997,007	-	-	-	-	2,997,007
48		Net CIAC (L32 - L33)	\$ 2,285,383	\$ -	\$ -	\$ -	\$ -	\$ 2,285,383
49		Advances in Aid of Construction (AIAC)	2,564,835	-	-	-	-	2,564,835
50		Customer Meter Deposits	105,421	-	-	-	-	105,421
51		Deferred Income Tax Credits	1,029,168	-	-	-	-	1,029,168
52		Total Deductions	\$ 5,984,807	\$ -	\$ -	\$ -	\$ -	\$ 5,984,807
53								
54		ADDITIONS:						
57		Allowance for Working Capital	194,390	-	-	-	(194,390)	-
59		Total Additions	\$ 194,390	\$ -	\$ -	\$ -	\$ (194,390)	\$ -
60								
61		ORIGINAL COST RATE BASE	\$ 9,941,318	\$ -	\$ 1,833	\$ (194,872)	\$ (194,390)	\$ 9,553,889

Bermuda Water Company

Schedule PNT-5

Docket No. W-01812A-15-0421

Test Year Ended August 31, 2015

RATE BASE ADJUSTMENT NO. 1 - PLANT RECLASSIFICATION

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJUSTMENT	[C] STAFF ADJUSTED
1	Structure and Improvement	\$ 864,103	\$ 15,199	\$ 879,302
2	Wells & Springs	1,826,504	69,762	1,896,266
3	Power Generated Equipment	-	118,809	118,809
4	Electric Pumping Equipment	2,173,125	(191,679)	1,981,446
5	Water treatment Plan	315,161	1,425	316,586
6	Transmission & Distribution Mains	9,540,976	(17,621)	9,523,355
7	Services	4,783,249	(21,553)	4,761,696
8	Meters & Meter Installations	1,215,554	19,111	1,234,665
9	Hydrants	837,212	815	838,027
10	Other Plant & Misc. Equip.		5,732	5,732
			\$ -	

REFERENCES:

Column [A]: Company Schedule E-5

Column [B]: Staff's Testimony

Column [C]: Column [A] + Column [B]

Bermuda Water Company
Docket No. W-01812A-15-0421
Test Year Ended August 31, 2015

Schedule PNT-6

RATE BASE ADJUSTMENT NO. 2- NON-UTILITY PLANT IN SERVICE ACCOUNT

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJUSTMENT	[C] STAFF ADJUSTED
1	Utility Plant Acquisition Adjustments	\$ (1,897)	\$ 1,897	\$ -
2	Accumulated Amortization of Utility Plant Acquisition Adjustments	\$ 64	\$ (64)	\$ -

REFERENCES:

Column [A]: Company Schedule E-5

Column [B]: Staff's Testimony

Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 3 - ACCUMULATED DEPRECIATION

LINE NO.		[A] COMPANY AS FILED	[B] ADJUSTMENT	[C] STAFF ADJUSTED
1		\$ 8,660,552	\$ 194,872	\$ 8,855,424
2				
3				
		Staff's Recommended (Before reclassification)	Reclassification	Staff's Recommended
4	Description			
5	301 Organization	\$ -	\$ -	\$ -
6	302 Franchises	-	0	0
7	303 Land & Land Rights	-	0	0
8	304 Structure and Improvement	479,093	475	479,568
9	305 Collecting Reservoirs	-	-	-
10	307 Wells & Springs	527,458	2,180	529,638
11	309 Supply Mains	29,129	-	29,129
12	310 Power Generation Equip	-	31,718	31,718
13	311 Electric Pumping Equipment	855,641	(37,823)	817,818
14	320 Water Treatment Eqpt	84,743	45	84,788
15	330 Dist Resv & Standpipes	520,003	-	520,003
16	331 Trans & Distr Mains	3,944,218	(623)	3,943,595
17	333 Service Lines	677,993	(542)	677,451
18	334 Meters	837,218	456	837,674
19	335 Hydrants	423,377	54	423,431
20	339 Other Plant and Misc Equipment	-	4,060	4,060
21	340 Office Furn & Eqpt	157,238	-	157,238
22	343 Tool Shop & Misc Eqpt	72,465	-	72,465
23	344 Laboratory Equipment	1,974	-	1,974
24	345 Power Operated Equip	595	-	595
25	346 Communication Eqpt	18,601	-	18,601
26	347 Misc Equipment	3,326	-	3,326
27	341 Transportation Eqpt	217,995	-	217,995
28	340.1 Computers	4,357	-	4,357
29		\$ 8,855,424	\$ -	\$ 8,855,424

Bermuda Water Company

Schedul PNT-8

Docket No. W-01812A-15-0421

Test Year Ended August 31, 2015

RATE BASE ADJUSTMENT NO. 4 - WORKING CAPITAL

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJUSTMENT	[C] STAFF ADJUSTED
1	Allowance for Working Capital	\$ 194,390	\$ (194,390)	\$ -

REFERENCES:

Column [A]: Company Schedule B-2

Column [B]: Staff's Testimony

Column [C]: Column [A] + Column [B]

OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY ADJUSTED TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
1	<u>REVENUES:</u>					
2	461 Metered Water Sales	\$ 3,392,919		\$ 3,392,919	\$ 482,503	\$ 3,875,422
3	460 Water Sales - Unmetered	-		-	-	-
4	474 Other Operating Revenue	106,223	-	106,223	-	106,223
5	Total Operating Revenues	\$ 3,499,142	\$ -	\$ 3,499,142	\$ 482,503	\$ 3,981,645
6	<u>OPERATING EXPENSES:</u>					
7	601 Salaries & Wages	\$ 612,966		\$ 612,966	\$ -	\$ 612,966
8	604 Employee Pensions and Benefits	202,727		202,727	-	202,727
9	610 Purchased Water	-		-	-	-
10	615 Purchased Power	276,869		276,869	-	276,869
11	618 Chemicals	21,149		21,149	-	21,149
12	620 Materials and Supplies	16,102		16,102	-	16,102
13	631 Contractual Services-Engineering	125		125	-	125
14	632 Contractual Services-Accounting	45,481		45,481	-	45,481
15	633 Contractual Services-Legal	99		99	-	99
16	635 Water Testing	11,609	6,390	17,999	-	17,999
17	636 Contractual Services-Other	40,486		40,486	-	40,486
18	641 Rents	17,663		17,663	-	17,663
19	650 Transportation Expense	37,037		37,037	-	37,037
20	657 Insurance - General Liability	71,710		71,710	-	71,710
21	659 Insurance-Other	10,010		10,010	-	10,010
22	666 Regulatory Commission Expense	75,867	(20,805)	55,062	-	55,062
23	670 Bad Debt Expense	24,959		24,959	-	24,959
24	675 Miscellaneous Expense	115,233		115,233	-	115,233
25	403 Depreciation Expense	850,872	(103,646)	747,226	-	747,226
26	408 Taxes Other than Income	70,581		70,581	-	70,581
27	408.11 Property Taxes	194,623	(43,396)	151,227	7,035	158,261
28	409 Income Tax	304,814	58,102	362,916	178,919	541,834
29	410 Deferred income taxes	-		-		
30	Total Operating Expenses	\$ 3,000,982	\$ (103,356)	\$ 2,897,626	\$ 185,954	\$ 3,083,580
31	Operating Income (Loss)	\$ 498,160	\$ 103,356	\$ 601,516	\$ 296,550	\$ 898,066

References:

Column (A): Company Schedule C-1
Column (B): Schedule PNT-10
Column (C): Column (A) + Column (B)
Column (D): Schedules PNT-2 and PNT-14
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] Water Testing ADJ #1	[C] Regulatory Expense ADJ #2	[D] Depr. Exp. ADJ #3	[E] Prop. Tax ADJ #4	[F] Income Tax ADJ #5	[G] STAFF ADJUSTED
1	REVENUES:							
2	461 Metered Water Sales	\$3,392,919	\$	\$	\$	\$	\$	3,392,919
3	460 Water Sales - Unmetered	-	-	-	-	-	-	-
4	474 Other Operating Revenue	106,223	-	-	-	-	-	106,223
5	Total Operating Revenues	\$3,499,142	\$	\$	\$	\$	\$	3,499,142
6								
7	OPERATING EXPENSES:							
8	601 Salaries & Wages	\$612,966	\$	\$	\$	\$	\$	612,966
9	604 Employee Pensions and Benefits	202,727	-	-	-	-	-	202,727
10	610 Purchased Water	-	-	-	-	-	-	-
11	615 Purchased Power	276,869	-	-	-	-	-	276,869
12	618 Chemicals	21,149	-	-	-	-	-	21,149
13	620 Materials and Supplies	16,102	-	-	-	-	-	16,102
14	631 Contractual Services-Engineering	125	-	-	-	-	-	125
15	632 Contractual Services-Accounting	45,481	-	-	-	-	-	45,481
16	633 Contractual Services-Legal	99	-	-	-	-	-	99
17	635 Water Testing	11,609	6,390	-	-	-	-	17,999
18	636 Contractual Services-Other	40,486	-	-	-	-	-	40,486
19	641 Rents	17,663	-	-	-	-	-	17,663
20	650 Transportation Expense	37,037	-	-	-	-	-	37,037
21	657 Insurance - General Liability	71,710	-	-	-	-	-	71,710
22	659 Insurance-Other	10,010	-	-	-	-	-	10,010
23	666 Regulatory Commission Expense	75,867	-	(20,805)	-	-	-	55,062
24	670 Bad Debt Expense	24,959	-	-	-	-	-	24,959
25	675 Miscellaneous Expense	115,233	-	-	-	-	-	115,233
26	403 Depreciation Expense	850,872	-	-	(103,646)	-	-	747,226
27	408 Taxes Other than Income	70,581	-	-	-	-	-	70,581
28	408.11 Property Taxes	194,623	-	-	-	(43,396)	-	151,227
29	409 Income Tax	304,814	-	-	-	-	58,102	362,916
30	410 Deferred income taxes	-	-	-	-	-	-	-
31	Total Operating Expenses	\$3,000,982	\$ 6,390	\$ (20,805)	\$ (103,646)	\$ (43,396)	\$ 58,102	\$ 2,897,626
32								
33	Operating Income (Loss)	\$498,160	\$ (6,390)	\$ 20,805	\$ 103,646	\$ 43,396	\$ (58,102)	\$ 601,516

ADJ. #	References:
1	Schedule PNT-11
2	Schedule PNT-12
3	Schedule PNT-13
4	Schedule PNT-14
5	Schedule PNT-2 &15

Bermuda Water Company

Schedule PNT-11

Docket No. W-01812A-15-0421

Test Year Ended August 31, 2015

OPERATING INCOME ADJUSTMENT NO. 1 - WATER TESTING

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Water Testing	\$ 11,609	\$ 6,390	\$ 17,999

References:

Column (A), Company Schedule C-2 & Workpapers

Column (B): Staff's Testimony

Column (C): Column (A) + Column (B)

Bermuda Water Company
Docket No. W-01812A-15-0421
Test Year Ended August 31, 2015

Schedule PNT-12

OPERATING INCOME ADJUSTMENT NO. 2 - REGULATORY EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Rate Case Expense	\$ 75,867	\$ (20,805)	\$ 55,062
2		-	-	-
3	Total	<u>\$ 75,867</u>	<u>\$ (20,805)</u>	<u>\$ 55,062</u>
4				
5				
6			<u>Company proposed</u>	<u>Adjustment</u> <u>Staff's adjusted</u>
7	Total estimated rate case expense		\$ 182,958	\$ (17,773) \$ 165,185
8	Frequency (year)		3	3
9	Annual normalization (L7 / L8)		60,986	55,062
10	Prior rate case expense		14,881	(14,881) -
11	Annual rate case expense (L9 +L10)		<u>\$ 75,867</u>	<u>\$ 55,062</u>

References:

Column (A), Company Schedule C-2 & Workpapers
Column (B): Staff's Testimony
Column (C): Column (A) + Column (B)

OPERATING INCOME ADJUSTMENT No. 3 - DEPRECIATION EXPENSE

Line No.	ACCT NO.	DESCRIPTION	GROSS UTILITY PLANT IN SERVICE	FULLY/NON DEPRECIABLE	DEPRECIABLE PLANT	DEPREC. RATE	EXPENSE
		<i>Plant In Service</i>					
1	301	Organization Costs	\$ 348,545	\$ (348,545)	\$ -	0.00%	\$ -
2	302	Franchise Costs	37,834	(37,834)	-	0.00%	-
2	303	Land & Land Rights	157,482	(157,482)	-	0.00%	-
3	304	Structures & Improvements	879,302	-	879,302	3.33%	29,281
3	305	Collecting & Impounding Reservoirs	-	-	-	2.50%	-
4	306	Lake, River, Canal Intakes	-	-	-	2.50%	-
4	307	Wells & Springs	1,896,266	-	1,896,266	3.33%	63,146
5	308	Infiltration Galleries	-	-	-	6.67%	-
5	309	Supply Mains	197,949	-	197,949	2.00%	3,959
6	310	Power Generated Equipment	118,809	-	118,809	5.00%	5,940
6	311	Electric Pumping Equipment	1,981,446	-	1,981,446	12.50%	247,681
7	320	Water Treatment Equipment	316,586	-	316,586	3.33%	10,542
7	320.1	Water Treatment Plants	-	-	-	3.33%	-
8	320.2	Solutions & Feeders	-	-	-	20.00%	-
8	330	Distribution Reservoirs & Standpipes	1,362,515	-	1,362,515	2.22%	30,248
9	330.1	Storage Tank	-	-	-	2.22%	-
9	330.2	Pressure Tanks	-	-	-	5.00%	-
10	331	Transmission & Distribution Mains	9,523,355	-	9,523,355	2.00%	190,467
10	333	Services	4,761,696	-	4,761,696	3.33%	158,564
11	334	Meters & Meter Installations	1,234,665	-	1,234,665	8.33%	102,848
11	335	Hydrants	838,027	-	838,027	2.00%	16,761
12	336	Backflow Prevention Devices	-	-	-	6.67%	-
12	339	Other Plant & Misc. Equip.	5,732	-	5,732	6.67%	382
13	340	Office Furniture & Fixtures	190,973	-	190,973	6.67%	12,738
13	340.1	Computer & Software	124,769	-	124,769	20.00%	24,954
14	341	Transportation Equipment	264,620	-	264,620	20.00%	52,924
14	342	Store Equipment	-	-	-	4.00%	-
15	343	Tools & Work Equipment	105,511	-	105,511	5.00%	5,276
15	344	Laboratory Equipment	2,540	-	2,540	10.00%	254
16	345	Power Operated Equipment	14,162	-	14,162	5.00%	708
16	346	Communications Equipment	26,181	-	26,181	10.00%	2,618
17	347	Miscellaneous Equipment	5,154	-	5,154	10.00%	515
17			-	-	-	10.00%	-
18		Rounding					
18		Total Plant in Service	\$ 24,394,120	\$ (543,861)	\$ 23,850,258		\$ 959,806
19		Less: Amortization of Contributions			\$ 5,282,390	4.02%	\$ 212,579
19							
20		Staff Recommended Depreciation Expense					\$ 747,226
20		Company Proposed Depreciation Expense					850,872
21		Increase/(Decrease) to Depreciation Expense					<u>\$ (103,646)</u>

OPERATING INCOME ADJUSTMENT No. 4 - PROPERTY TAXES

LINE NO.	DESCRIPTION	[A]	[B]
		STAFF AS ADJUSTED	STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues	\$ 3,499,142	\$ 3,499,142
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	\$ 6,998,284	\$ 6,998,284
4	Staff Recommended Revenue	3,499,142	3,981,645
5	Subtotal (Line 4 + Line 5)	\$ 10,497,426	\$ 10,979,929
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	\$ 3,499,142	\$ 3,659,976
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	\$ 6,998,284	\$ 7,319,953
10	Plus: 10% of CWIP	-	-
11	Less: Net Book Value of Licensed Vehicles	83,490	83,490
12	Full Cash Value (Line 9 + Line 10 - Line 11)	\$ 6,914,794	\$ 7,236,463
13	Assessment Ratio	18.00%	18.00%
14	Assessment Value (Line 12 * Line 13)	\$ 1,244,663	\$ 1,302,563
15	Composite Property Tax Rate	12.15000%	12.15000%
16	Staff Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 151,227	
17	Company Proposed Property Tax	194,623	
18	Staff Test Year Adjustment (Line 16 - Line 17)	\$ (43,396)	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		\$ 158,261
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		151,227
21	Increase in Property Tax Due to Increase in Revenue Requirement (Line 19 - Line 20)		\$ 7,035
22			
23	Increase in Property Tax Due to Increase in Revenue Requirement (Line 21)		\$ 7,035
24	Increase in Revenue Requirement		\$ 482,503
25	Increase in Property Tax Per Dollar Increase in Revenue (Line 22 / Line 23)		1.458000%

REFERENCES:

Line 15: Composite Tax Rate obtained from Arizona Department of Revenue
Line 17: Company Schedule C-1
Line 23: Schedule PNT-1

Bermuda Water Company

Schedule PNT-15

Docket No. W-01812A-15-0421

Test Year Ended August 31, 2015

OPERATING INCOME ADJUSTMENT NO. 5 - INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Income Tax Expense	\$ 304,814	\$ 58,102	\$ 362,916

References:

Column (A), Company Schedule C-2

Column (B): Column (B) - Column (A)

Column (C): Schedule PNT-1

Cash Flow Analysis

Line No.		[A] <i>Cooperative Proposed</i>	[B] <i>Staff Recommended</i>
1	Operating Revenue:	\$ 4,298,558	\$ 3,981,645
2	Operating Expenses:		
3	Operation and Maintenance	1,580,092	1,565,677
4	Depreciation	850,872	747,226
5	Property & Other Taxes	265,204	228,842
6	Income Tax	608,272	541,834
7	Total Operating Expense	\$ 3,304,440	\$ 3,083,580
8			
9	Operating Income	\$ 994,118	\$ 898,066
10			
11	Annual Debt Payment	\$ -	\$ -
12			
13	Cash Flow : (L9+L4-L11)	\$ 1,844,990	\$ 1,645,292

References:

Column (A), Cooperative Schedule C-1

Column (B): Schedule PNT-4

RATE DESIGN

<u>Monthly Usage Charge</u>		Present Rates	Company Proposed Rates	Staff Recommended Rates
<u>All Classes</u>				
5/8 x 3/4" Meter		\$ 13.00	\$ 18.00	\$ 14.50
3/4" Meter		13.00	N/A	14.50
1" Meter		35.00	47.00	36.25
1½" Meter		70.00	95.00	72.50
2" Meter		112.00	151.00	116.00
3" Meter		224.00	302.00	232.00
4" Meter		350.00	N/A	362.50
6" Meter		700.00	945.00	725.00
8" Meter		N/A	N/A	1,160.00
10" Meter		N/A	N/A	1,667.50
<u>School</u>				
6" Meter		N/A	700.00	700.00
8" Meter		N/A	940.00	940.00
10" Meter		N/A	1,180.00	1,180.00
<u>Commodity Rates (Per 1,000 gallons)</u>				
5/8 x 3/4" and 3/4" Meter (Residential)		\$ 1.25	\$ 1.42	\$ 1.25
First 3,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
3,001 to 9,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
Over 9,000 gallons				
5/8 x 3/4" and 3/4" Meter (Commercial)				
First 9,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 9,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
1" Meter (Residential and Commercial)				
First 25,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 25,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
1½" Meter (Residential and Commercial)				
First 50,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 50,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
2" Meter (Residential and Commercial)				
First 80,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 80,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
3" Meter (Residential and Commercial)				
First 165,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 165,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
4" Meter (Residential and Commercial)				
First 250,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 250,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
6" Meter (Residential and Commercial)				
First 500,000 gallons		\$ 2.00	\$ 2.27	\$ 2.40
Over 500,000 gallons		\$ 3.12	\$ 3.55	\$ 3.80
8" Meter (Residential and Commercial)				
First 650,000 gallons		N/A	N/A	\$ 2.40
Over 650,000 gallons		N/A	N/A	\$ 3.80
10" Meter (Residential and Commercial)				
First 830,000 gallons		N/A	N/A	\$ 2.40
Over 830,000 gallons		N/A	N/A	\$ 3.80

RATE DESIGN

Construction/Irrigation				
All Usage	\$	1.64	\$	1.87
School				
All Usage (All meter sizes)	\$	1.77		N/A
All Usage (6" and smaller meter size)		N/A	\$	2.01
All Usage (larger than 6" meter size)		N/A	\$	2.05
Wholesale				
All Usage	\$	1.77	\$	2.01

Meter and Service Line Installation Charges

Meter Size	Current	Company Proposed			Staff Recommended		
	Total Meter & Service Line Installation Charges	Service Line Installation Charge	Meter Installation Charge	Total Meter & Service Line Installation Charges	Service Line Installation Charge	Meter Installation Charge	Total Meter & Service Line Installation Charges
5/8" x 3/4" Meter	\$ 185.00	\$ 125.00	\$ 60.00	\$ 185.00	\$ 125.00	\$ 60.00	\$ 185.00
1" Meter	265.00	180.00	85.00	265.00	180.00	85.00	265.00
1½" Meter	837.00	520.00	317.00	837.00	520.00	317.00	837.00
3 or larger	At cost	At cost	At cost	At cost	At cost	At cost	At cost

	Current	Company Proposed	Staff Recommended
<u>Service Charges</u>			
Broken Meter Lock	\$ 15.00	\$ 45.00	\$ 15.00
Deferred Payment Interest	1.5%*	1.5%*	1.5%*
Deposit	**	**	**
Deposit (Interest)	**	**	**
Establishment Fee	\$ 35.00	\$ 35.00	35.00
Late Payment	1.50%	1.5%***	1.5% or \$5(a)
Meter Test Performed by Company (if correct)	\$ 20.00	\$ 20.00	\$ 20.00
Meter Test Performed by Outside Vendor (If correct)	\$ 25.00	\$ 30.00	\$ 25.00
NSF Check (Returned Check)	\$ 15.00	\$ 25.00	\$ 25.00
Reconnection (Delinquent)	\$ 50.00	\$ 50.00	\$ 50.00
After Hours Service Charge	\$ 30.00	\$ 30.00	\$ 30.00
Meter Re-Read (If correct)	\$ 5.00	\$ 20.00	\$ 10.00
Construction Re-Establishment Fee	N/A	****	N/A

* 1.5% of unpaid balance each month for a maximum of 6 months with signed agreement

** Per Commission Rule A.A.C.R.14-2-403(B)

*** if Payment not received within 15 days from date bill is rendered

**** The base rate multiplied by the number of vacant months between usage

(a) Whichever is greater

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per commission rule 14-2-409D(5).

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,767	\$ 26.28	\$ 33.08	\$ 6.80	25.86%
Median Usage	5,168	\$ 21.09	\$ 27.18	\$ 6.10	28.91%
Staff Recommended					
Average Usage	7,767	\$ 26.28	\$ 29.69	\$ 3.41	12.96%
Median Usage	5,168	\$ 21.09	\$ 23.45	\$ 2.36	11.21%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 13.00	\$ 18.00	38.46%	\$ 14.50	11.54%
1,000	14.25	19.42	36.28%	15.75	10.53%
2,000	15.50	20.84	34.45%	17.00	9.68%
3,000	16.75	22.26	32.90%	18.25	8.96%
4,000	18.75	24.53	30.83%	20.65	10.13%
5,000	20.75	26.80	29.16%	23.05	11.08%
5,168	21.09	27.18	28.91%	23.45	11.23%
6,000	22.75	29.07	27.78%	25.45	11.87%
7,000	24.75	31.34	26.63%	27.85	12.53%
8,000	26.75	33.61	25.64%	30.25	13.08%
9,000	28.75	35.88	24.80%	32.65	13.57%
10,000	31.87	39.43	23.72%	36.45	14.37%
11,000	34.99	42.98	22.84%	40.25	15.03%
12,000	38.11	46.53	22.09%	44.05	15.59%
13,000	41.23	50.08	21.46%	47.85	16.06%
14,000	44.35	53.63	20.92%	51.65	16.46%
15,000	47.47	57.18	20.46%	55.45	16.81%
16,000	50.59	60.73	20.04%	59.25	17.12%
17,000	53.71	64.28	19.68%	63.05	17.39%
18,000	56.83	67.83	19.36%	66.85	17.63%
19,000	59.95	71.38	19.07%	70.65	17.85%
20,000	63.07	74.93	18.80%	74.45	18.04%
25,000	78.67	92.68	17.81%	93.45	18.79%
30,000	94.27	110.43	17.14%	112.45	19.29%
35,000	109.87	128.18	16.67%	131.45	19.64%
40,000	125.47	145.93	16.31%	150.45	19.91%
45,000	141.07	163.68	16.03%	169.45	20.12%
50,000	156.67	181.43	15.80%	188.45	20.28%
75,000	234.67	270.18	15.13%	283.45	20.79%
100,000	312.67	358.93	14.80%	378.45	21.04%

STAFF'S RECOMMENDED REVENUE BREAKDOWN SUMMARY

Description	Monthly Minimum	First Tier Commodity	Second Tier Commodity	Third Tier Commodity	Total
5/8" Residential	\$ 1,279,248	\$ 283,494	\$ 617,690	\$ 764,184	\$ 2,944,616
1" Residential	32,734	22,908	16,761.80	-	72,404
1.5" Residential	1,740	379	-	-	2,119
2" Residential	48,836	27,907	25,912.20	-	102,655
3" Residential	2,784	439	1,729.00	-	4,952
5/8" Commercial	31,262	18,667	34,523.00	-	84,452
1" Commercial	24,686	16,186	24,323.80	-	65,196
2" Commercial	45,704	28,464	78,466.20	-	152,634
1" construction	870	669	-	-	1,539
2" construction	4,292	1,395	-	-	5,687
3" construction	20,880	22,919	-	-	43,799
5/8" Irrigation	1,044	2,369	-	-	3,413
1" Irrigation	40,165	55,421	-	-	95,586
2" Irrigation	9,744	35,930	-	-	45,674
1" school	435	394	-	-	829
1.5" school	870	951	-	-	1,821
2" school	8,352	3,694	-	-	12,046
10" school	14,160	6,218	-	-	20,378
5/8" wholesale	-	25,346	-	-	25,346
1" wholesale	-	1,891	-	-	1,891
4" wholesale	-	1,085	-	-	1,085
6" wholesale	-	187,812	-	-	187,812
Total	\$ 1,567,806 40.45%	\$ 744,540 19.21%	\$ 799,406 20.62%	\$ 764,184 19.72%	\$ 3,875,936 100.00%

	Metered Revenue in Monthly Minimum Charge and First Tier	Metered Revenue in Second Tier	Metered Revenue in Third Tier	Total Metered Revenue
Current Rates	59.99%	20.57%	19.44%	100.00%
Company's Proposed rates	65.06%	17.94%	16.99%	100.00%
Staff's Recommended Rates	59.66%	20.62%	19.72%	100.00%

BEFORE THE ARIZONA CORPORATION COMMISSION

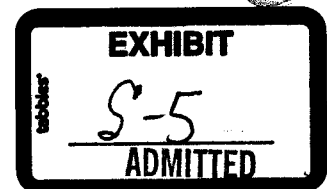
DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION OF)
BERMUDA WATER COMPANY, AN ARIZONA)
CORPORATION, FOR A DETERMINATION OF)
THE FAIR VALUE OF ITS UTILITY PLANTS)
AND PROPERTY AND INCREASES IN IT'S)
WATER RATES AND CHARGES FOR UTILITY)
SERVICE BASED THEREON.)
_____)

DOCKET NO. W-01812A-15-0421

SURREBUTTAL
TESTIMONY
OF
PHAN TSAN
PUBLIC UTILITIES ANALYST
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

SEPTEMBER 13, 2016



EXECUTIVE SUMMARY
BERMUDA WATER COMPANY
DOCKET NO. W-01812A-15-0421

Staff's surrebuttal testimony is, on behalf of Staff, to respond to the rebuttal testimony of Mr. Jason Martin, witness for Bermuda Water Company.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Phan Tsan. I am a Public Utilities Analyst employed by the Arizona Corporation
4 Commission ("Commission") in the Utilities Division ("Staff"). My business address is 1200
5 West Washington Street, Phoenix, Arizona 85007.

6
7 **Q. Are you the same Phan Tsan who filed direct testimony in this case?**

8 A. Yes.

9
10 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

11 A. The purpose of my surrebuttal testimony in this proceeding is to respond, on behalf of Staff,
12 to the rebuttal testimony of Mr. Jason Martin, witness for Bermuda Water Company
13 ("Bermuda" or "Company").

14
15 **RECOMMENDATIONS**

16 **Q. What is the Company's position in its Rebuttal?**

17 A. The Company is willing to stipulate to Staff's adjustments if Staff and the Company can reach
18 a common position with regard to the following three issues: Cash Working Capital,
19 Depreciation Expense (Contributions in Aid of Construction ("CIAC") amortization rate)
20 and Accumulated Depreciation.

21
22 **Q. Were these three issues mentioned above discussed by Staff and the Company?**

23 A. Yes. The Company and Staff met on August 16, 2016, to discuss these issues and came to an
24 agreement that:

25
26 CIAC amortization rate is 3.72 percent.

1 The final accumulated depreciation balance is \$8,795,240.

2 The Cash Working Capital is \$147,296.

3

4 **Q. Does Staff recommend the Company perform a lead-lag study and use the results of**
5 **that study to support its request for a cash working capital allowance in its next rate**
6 **case?**

7 **A. Yes. In fact, the Company has agreed to do so.**

8

9 **Q. Does Staff believe that full agreement has been reached on all contested issues?**

10 **A. Yes. Staff and the Company are now in agreement on all of the contested issues in the case.**
11 **Staff believes the resulting revenue requirement is fair and reasonable and in the public**
12 **interest.**

13

14 **Q. Does this conclude Staff's surrebuttal testimony?**

15 **A. Yes, it does.**